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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Newsletter Reports Military Experts' View of War *HK2801125291 Hong Kong HSIN WAN PAO* *in Chinese 28 Jan 91 p 1*

["Newsletter From Guangzhou" by Lin Ning (2651 1337): "Chinese Military Experts on War Situation"]

[Text] After the U.S.-led multinational forces bombed Iraq for six days, it seemed that the war had reached a stage of impasse; there is still no sign of the beginning of the so-called ground attack. Chinese military experts here say this is because the air strike has not attained its original goal; they think that the most crucial point is that a coordinating and command center within the allied forces has not been established.

It Is Still Unable To Coordinate Command

The people at the senior level of China's military circles who are engaged in international military research think that, judging from the available data, allied bombing has not destroyed Iraq's key military facilities, and that Iraq retains at least 90 percent of its ability to strike back. Judging from a strategic consideration, the obstacles and menace to a ground attack by the allied forces have not been eliminated, while the purpose of threatening with military might and of "defeating it without fighting" could not be attained. War in the contemporary world stresses coordination, liaison, and centralized command; however, at present, the allied forces lack a unified command and an authoritative commanding officer. Therefore, it has become difficult for the multinational forces, which have troops from 28 countries, to carry out a three-dimensional war from air, sea, and ground.

This at least reflects two facts: First, Iraqi forces are not as weak as the U.S. forces imagined; second, the United States is trying hard to avoid a difficult ground battle.

An analysis of Iraqi forces' defense arrangement in Kuwait shows that Saddam has resorted to in-depth defense, arranging troops into rows, with light equipment on the front line and heavy fortifications on the back. Along the Wadi al Batin defense line on the Kuwaiti border, a soft defense area manned mainly by infantry divisions is established to use toughness and tolerance to wear down violence and sharpness, to resist the first attack by the armored groups of the allied forces, while the mechanized armored units are stationed in the in-depth tactical areas with the elite Republican Guards controlling the vital strategic positions on the Saudi-Kuwaiti border.

There are three prerequisites to launching a ground attack by the allied forces: First, establish a unified command system, and properly arrange communications and liaison to coordinate the forces from various countries; second, multinational forces enter their positions and finish preparations for an attack; third, destroy the defense obstacles and key military facilities in the 20

to 30-km wide in-depth defense areas. According to a general calculation, it takes at least one to two weeks to attain the three goals mentioned above. The countries taking part in the war have different interests, military equipment, and training for their troops, who differ greatly in combat ability, and the way to coordinate and command them is the most difficult task.

The Allied Forces' Pincers Movement

It is predicted that before a pincers movement of the allied forces on the ground is launched, artillery activities aimed at various locations will be repeatedly carried out for probably one week or longer. The ground attack will avoid al-Rawdatwun Oil Field in north Kuwait and al-Burqan Oil Field in south Kuwait. It is very likely that the U.S. Army's main force will charge into Kuwait from the flank of the Wadi al Batin defense line, with a wing outflanking the Republican Guards, and another wing surrounding and eliminating the massed Iraqi armored units. At the same time, the allied forces' sea and air superiority will be brought into full play, and Marines will first occupy Bubiyan and Faylakah Islands in the Persian Gulf, so as to control the waters near the landing sites, and block the outlet to the sea in the east. Thereafter, with the support of strong firepower from sea and air, they will force a landing in the port of Kuwait, and surround the Iraqi forces in south Kuwait to cut the contact between Iraqi forces in the south and those in the north.

Iraqi Forces Charge Into Saudi Arabia

It is believed that the allied forces will not achieve their aims easily, however. Judging from the Iraqi troops' defense, they have prepared for this. When the allied forces advance, they will meet with numerous obstacles and a stubborn resistance. In particular, the crack Iraqi mechanized units are situated in the tactical areas, and Iraq's infantry will fight stubbornly, while the crack troops will probably charge into Saudi Arabia and attack the junction point of the allied forces from behind, striking at the rear of the allied forces. What is noteworthy is that Iraq has already announced the abolition of the peace agreement between Iraq and Saudi Arabia, and this means that along with the beginning of a ground battle, Iraqi forces could pass the border at any moment.

During the fourth Middle East war, when the joint Arab forces broke through Israel's Aliehu [7093 0441 1133] defense line, Israeli forces adopted exactly such a tactic and charged into Syria from the flank in the north, heading quickly to Damascus and badly defeating Syrian troops. Thereafter, they moved southward to the eastern portion of the Suez Canal and surrounded and eliminated the Egyptian troops there, disintegrating the joint Arab forces' attack. At present, Iraq's combat arrangement reveals a clear intention—that is, the main combat aircraft and picked units are hidden to avoid the violent charge. From the Iran-Iraq war, we can see that Iraqi

forces are very flexible during combat, and when the ground assault begins, the war zone will not be confined to Kuwait alone.

In a desert war, the unfavorable factors are true to both sides, and ground forces will determine who will win the war. Iraq's troops are very experienced and have high morale; they can bear great hardship and know the landscape and weather. This has created conditions for Iraqi forces to fight in a flexible way and outflank their enemy from various sides, fighting a protracted and consuming war, and hindering the U.S. forces.

The military experts here made an analysis, noting that U.S. President Bush said "there will not be another Vietnam war." This means that the United States is nervous before war breaks out; it is afraid of high casualties and antiwar sentiment at home and abroad. If war reaches an impasse, "setting foot on and unable to get out," the situation will be more difficult. This may be one of the factors explaining why the United States is withholding a ground attack.

The United States Is Nervous Before Fighting Begins

Judged from the angle of contemporary military science, Iraq has amassed 590,000 troops to defend Kuwait, which is only some 20,000 square km in size, and the input from the attacking side should be at least 1:1 according to the usual military rule. This density surpasses any war in history. The more modernized means are employed in war, and the higher the density of troops, the higher the casualties will be, and this is what the U.S. forces do not want to see.

'Special Article' Sums Up Gulf War

HK2801142091 Guangzhou NANFANG RIBAO
in Chinese 25 Jan 91 p 4

["Special Article" by Xu Boyuan (6079 0590 3220) (provided by XINHUA): "Taking a Distant Look at the Gulf War Situation"]

[Text] War planes of the multinational troops, headed by the United States, have bombarded Iraq and Kuwait day and night on a scope of between 2,000 to 3,000 sorties every day. The war has been going on in a white heat; however, the two entangled sides have kept news coverage on the war under strict control. Consequently, outsiders can hardly get a clear picture of the goings-on, with only a distant look at the situation.

Based on the conditions that have been disclosed, neither side has accomplished its expected results. Fierce as the multinational troops' bombardment is, it has not succeeded in seriously wounding Iraq. Beyond a doubt, the damage on surface installations has been great, such as chemical weaponry factories and nuclear reactors and so forth. Most of the airports have been ruined; however, the number of aircraft destroyed has been insignificantly small. Because Iraq had made preparations long before, its aircraft have been well concealed in reinforced

cement bunkers. That accounts for the occasional appearance of its war planes engaging in aerial actions. Not all Iraqi mobile Scud launchers have been destroyed, and they have succeeded in launching sporadic Scuds at Saudi Arabia and Israel. No clear picture has been provided on the casualties and death toll of ground forces. It is said that the Iraqi picked forces have also been concealed in underground fortifications. Iraq has been in a rather passive position, we may thus conclude, based upon its lack of capability to ward off the blows. The question is not that Iraq is not entirely devoid of capability, but it is purposely not warding off the blows to preserve its strength and avoid its enemy. Whereas Iraq has failed to satisfactorily fulfill its plan, too. With a few Scuds aimed at Israel, Iraq expected the Israelis to promptly retaliate, thus throwing the enemy into confusion and promoting a reorganization of the Arabs. Nevertheless, Israel has not retaliated yet. Syria has stated, even if Israel retaliates, Syria will not change sides to fight it.

Viewing the situation as a whole, Iraq is in a markedly inferior position. Because no other country is capable of providing it with large-scope aid in weaponry; with every war plane hit or guided missile launched, there will be one more effaced; it can never outlast the multinational troops in this arena. Tactically, it is also in an unfavorable situation. Even if the bulk of its aircraft is preserved, its runways have all been ruined, and the aircraft are dead if they are unable to take off. In addition, its mobile launchers have been detected and bombed one after another. The multinational troops have enjoyed air superiority all along. With the loss of air superiority, Iraqi supply lines to troops on the front are liable to be severed. Consequently, its troops will not last long without food supplies, while its tanks will run out of oil and its guns and artillery out of ammunition. Because chemical weapons' use depends on aircraft, guided missiles, or artillery, they will be useless if there are no runways for its aircraft; in addition, its guided missiles have no launchers, and it is unable to place its artillery in underground fortifications. It seems that the multinational troops are in no hurry to engage in ground actions. When the strategic bombardment is over, the next step will be tactical bombardment to make things smoother with a smaller toll when their ground force pushes in. Even if Iraq manages to save a few mobile launchers and launch a few chemical warheads, it will not help change the whole situation.

Until now, mediating activities have never stopped, and proposals of sorts continue to surface; however, none of them can work now. Saddam Husayn remains headstrong with no sign of compromise. At the Geneva talks for foreign ministers on 9 January, Iraqi Foreign Minister 'Aziz rejected President Bush's letter to Saddam Husayn, and like one who has lost his balance in high-wire walking, he fell from the brink of war and lost the last chance for a peaceful settlement. Now the consequences of a compromise under the force of a blow will be still more unfavorable to Iraq. The United States

will also not consider any plan for a compromise at this point. This being the case, should the war go on, it will not be easy to reach a quick decision; however, a protracted war is also unlikely.

Trade Ministry on Gulf War, Global Economy
HK2801145891 Beijing RENMIN RIBAO in Chinese
24 Jan 91 p 4

[Dispatch by reporter Liu Xiao (0491 7197): "Trade Ministry News Spokesman Says Gulf War Will Quickening Global Economic Crisis"]

[Text] Beijing 23 Jan (RENMIN RIBAO)—The Gulf war's outbreak has affected China's development in foreign economic relations and trade, but, more importantly, it has brought disasters to the Gulf countries and threatens world peace and economic development.

In answering Chinese and foreign reporters' questions on 23 January, Liu Xiangdong (0491 0686 2639), a Ministry of Foreign Economic Relations and Trade spokesman, stated that China has suffered losses in terms of \$2 billion as a consequence of implementing the several UN Security Council resolutions with the Gulf war's outbreak. In addition, before the Gulf crisis, China's trade volume in the Gulf region was approximately \$2 billion annually. China signed over some 1,000 agreements related to overseas contract engineering and labor services, with the contract value exceeding \$2.7 billion. The Gulf war has markedly affected China in those operations in economic relations and trade. If the situation worsens, it is likely to quicken global economic recession and result in more serious consequences to China's development in foreign economic relations and trade.

Liu stated that China's socialist modernization has entered a very crucial phase of development, and China calls for a long-term peaceful international environment. We hope that the two sides engaged in the war will take an attitude of restraint, and that Iraq will pull out from Kuwait and find a way to peacefully settle and end the war as quickly as possible.

When a reporter asked about China's attitude toward world oil price hikes, Liu Xiangdong said that the negative effects of the great ups and downs in world oil prices on the world economy should not be neglected. He expressed the hope that world oil trade will become normal. China will base itself on the principle of "attaching importance to contracts and being as good as one's word" and "doing business according to the market rules," with transactions made according to world prices and the usual practices in oil exporting.

Article on Factors Influencing Expansion of War
HK2801052691 Hong Kong TANGTAI in Chinese
No 61, 26 Jan 91 p 12

[Article from Beijing by Ho Po-shih (0149 0130 2457): "The CPC Is Closely Studying the War"]

[Text] Since the outbreak of the Middle East war, people outside the mainland have taken an interest in how the CPC views this war. For this reason, this reporter interviewed a responsible person from the Chinese military on his judgment about the outcome of the war. This military officer was a regimental-level cadre from the General Staff Department.

A Short and Quick War or a Protracted One?

This officer said there are two possibilities for the war: One is that the war will be short and quick (meaning it will end in one or two months) and the other is a protracted war (exceeding a half year). He pointed out the possibility of a protracted war is great.

A short and quick war is the best because if the war drags on, it might turn into a larger-scale war, he said. Whether the war will be a short and quick one does not depend on the intention of the allied forces, however. When the United States waged the Vietnam war and the Soviet Union attacked Afghanistan, there was a marked contrast between the military forces of the two warring sides. The stronger side always wished to achieve quick and decisive results by its superior weapons, but the war eventually turned into a protracted one. As a result, the two superpowers' vital strength was seriously undermined. In other words, one may wish to launch a short and quick war, but sometimes this is impossible. Viewed from the first week of the war, it is difficult for the allied forces to make the war short and quick.

Will the War Become Larger?

Two factors will determine whether this war will turn into a regional, large-scale war, the officer said.

First, there is a possibility of Israeli involvement. If Israel joins, Iraq will successfully launch a holy war. By then the nature of the war will change from a war against aggression into a war between nations or a religious war. In the past the United States was not quite resolved in holding back Israel.

Second, there is the possibility of Iraq using nonconventional weapons. If Iraq resorts to biological, chemical, or even nuclear weapons, the situation will deteriorate quickly, and it is possible that the United States will be forced to use tactical nuclear arms. In such a case, the war is sure to escalate from local to regional.

Is the Soviet Union Likely To Change Its Stand?

There are two factors determining whether the Soviet Union will change its stand, one being Gorbachev's position and the other being his solution to the demand for national independence in the country. If Gorbachev's position is not stable (there have been 100,000-strong demonstrations in Moscow for the last few days protesting against him) and a new group of military officers gains the upper hand, they will possibly express different opinions on the excessively large U.S. forces in the Gulf region. They will force Gorbachev to change his Middle

East policy. If Gorbachev cannot solve the present problem of ethnic division, republics in the southern part of the Soviet Union, which believe in Islam, will also demand independence. To alleviate the resentment of Muslims in the country, the Soviet Union might adopt a posture to support the Arabs. After the outbreak of the Middle East war, Soviet troops in the southern part of the country were put on alert. This suggests that the Soviet Union is worried about becoming involved in the war.

The CPC's Actual Attitude Toward the War

The CPC is not willing to see this war. There are three reasons: First, this war will cause a global economic depression and this depression will impact on China's economy as well as foreign investments in and loans for China. Second, this war will reduce China's reputation and influence in the Arab world, because China has always appeared as the Third World's leader and maintained good relations with the Arab world. Its failure in "persuading not to fight" will, of course, affect its image in the region. Third, China is not willing to see the expansion of U.S. influence in the Middle East or U.S. presence in the region after Iraq is defeated. Frankly speaking, China is worried that the United States might introduce American-style democratic reform in the Middle East after Iraq is defeated, like the one it practiced in Japan after the end of World War II.

'Roundup' Views Saddam's Confidence of Victory

OW2901093891 Beijing XINHUA in English
0624 GMT 29 Jan 91

["Roundup: Saddam Confident of Victory, U.N. Fails To Meet on Gulf"—XINHUA headline]

[Text] Beijing, January 29 (XINHUA)—Iraqi President Saddam Husayn said Monday he is confident of victory while the United Nations Security Council failed to agree on a formal meeting on the Gulf.

Iraqi President Saddam Husayn Monday received the first interview by Western news media since the outbreak of the Gulf war, the Cable News Network, at a small house in suburban Baghdad, saying that his Scud missiles could carry nuclear, chemical or biological warheads.

He said that he would use weapons equivalent to those used against Iraq.

When asked how long the war would last, Saddam said "Only God knows." But he believed that he is confident of victory.

More than 11 millions of oil allegedly poured by Iraq, some scientists say, bring disastrous effects on the environment. [as received] The United States announced Monday that U.S. airplanes destroyed the terminal 20 kms of the coast of Al-Ahmadi in Kuwait, saying the further oil slick "has just about stopped."

Multinational forces continue their air attack against Iraq. Italy said Italian Tornado warplane, have successfully fulfilled a mission against Iraqi Scud missile launchers, the elite republican guard, air defence sites and supply lines.

Kuwaiti defense minister Monday said that Kuwaiti Skyhawk fighter-bombers Sunday bombed Iraqi artillery positions, ammunition and supply depots in the Iraqi-occupied Kuwait. In addition, 18 Kuwaiti Skyhawks attacked the Kuwaiti-Iraqi border and returned safely.

Iraqi radio said Monday that some captured Allied pilots were wounded in the multinational force's attack but didn't give details.

In New York, the U.N. Security Council Monday again failed to reach consensus on a formal meeting to discuss the Gulf war, but would resume informal consultations Thursday.

Newsletter Reports Refugees' View of War

OW2901110491 Beijing XINHUA Domestic Service
in Chinese 1538 GMT 28 Jan 91

["Newsletter" by XINHUA reporter Fu Weijian (4569 5898 1696): "A Visit to Azlank Refugee Camp"]

[Text] Amman, 28 Jan (XINHUA)—Deafening explosions from the Gulf battlefield are frightening. To escape the war, many refugees in one group after another have fled Iraq to Jordan.

Today, reporters visited the Azlank [name as received] No.1 Refugee Camp, located 150 km northeast of the Jordanian capital of Amman. It is one of several refugee camps set up by the Red Crescent of Jordan. According to the camp's deputy director Hani Tetim [name as received], there are 2,789 refugees of 12 nationalities presently in the camp.

In a Yemeni refugees' tent, there are about a dozen students who studied at Baghdad University. They arrived in Jordan five days after the Gulf war broke out. A student by the name of Ahamad described the first night of fighting. He said: An alarm sounded in Baghdad at 0230 on 17 January and was soon followed by loud explosions and the roar of aircrafts. Students immediately entered the campus' underground shelters, while some bold ones rushed to the balcony to watch the bombing. Iraqi air defense troops counterattacked with intensive antiaircraft artillery fire. The flash of bombs and antiaircraft artillery fire illuminated the dark night sky.

Asked about life in Iraq at present, Ahamad said: "After the U.S. air bombardment, water and electricity supplies were disrupted. The Iraqi people have begun to watch television again, however, because the authorities have made the necessary repairs." He said: "As soon as air raids are over, fruit and vegetable vendors reappear in Baghdad streets, and water-tank cars drive down streets

to supply water to every household. Because of the several month-long embargo, the residents are facing shortages of food and medicine, and life is very hard, but morale remains very high."

Another student said: "Iraq reaped a bumper harvest of dates last year, but people cannot live on dates alone. Some wealthy people are buying food through the black market, but the prices are very high."

In the refugee camp's office, the reporters saw a group of Sudanese. Seeing Chinese reporters, they all praised the Chinese Government's position for a peaceful settlement of the Gulf conflict. They expressed the hope that China could play an even greater role to stop the destructive war as soon as possible. A Sudanese worker who took part in building underground shelters said: "In the last decade, Iraq spent huge amounts of money on building many underground shelters. Some large shelters can accommodate up to 1,000 people. In addition, Iraq also built many mock ammunition depots, guided missile bases, and tanks as decoys to confuse U.S. aircraft. These tactics were used by Iraq during the Iranian-Iraqi war."

In the refugee camp's clinic, a Vietnamese refugee told reporters that he saw Iraqi troops in Kuwait building many defense works, such as trenches and bunkers. He also heard that Iraqi troops have laid large minefields on the front. He expressed the belief that U.S. troops will pay a great price if they assault Kuwait on the ground.

After several rainy days, the sun shines again over the Azlank Refugee Camp. The war-frightened refugees have regained a peaceful life, chatting with each other in small groups. Some women were washing clothes and children were playing soccer. Many refugees are praying for peace, hoping that the ghost of war will soon be driven out of the region.

News Analysis Calls U.S.-Soviet Ties 'Delicate'

OW2901073991 Beijing XINHUA in English
0459 GMT 29 Jan 91

["News Analysis: U.S.-Soviet Relations Appear Delicate by Wei Guoqiang"—XINHUA headline]

[Text] Washington, January 28 (XINHUA)—The United States and the Soviet Union decided today "by mutual agreement" to reschedule their summit in Moscow, an indication that the U.S.-Soviet relations appear somewhat delicate under the current situation.

Reasons for the postponement of a summit, the first of its kind in the three-decade history of superpower relations, as U.S. Secretary of State James Baker explained, are the Gulf war and some technical problems on the unfinished Strategic Arms Reduction Treaty (START).

"The Gulf war makes it inappropriate for President (George) Bush to be away from Washington. In addition, work on the START treaty will require some additional time," Baker said.

On the surface, analysts noted, these two reasons are convincing, but in essence, there might be other reasons which both sides are reluctant to mention.

"I think the statement speaks for itself," Baker said in response to a question of whether the decision is related to the developments in the Soviet Baltic republics.

In fact, the United States has been linking the summit to the Baltic situation and political changes in the Soviet Union, at least, to some degree since earlier this month when tense situation emerged in Lithuania and Estonia.

President Bush and other U.S. senior officials repeatedly condemned the Soviet actions to maintain the Soviet constitutional objectives there, warning further actions would jeopardize relations between the two countries. The White House even threatened that the summit was "up in the air."

During their first meeting here last Saturday, Baker and Soviet Foreign Minister Aleksander Bessmertnykh, who said the summit was necessary upon his arrival at the Andrews Air Base, spent almost three hours discussing the developments in the Baltics and the Soviet policies.

For President Bush, there is an ambivalence in handling the U.S.-Soviet relations under the current situation.

On the one hand, the administration knows well that without the Soviet acquiescence and support, there would be no dramatic changes in East European countries and the German reunification.

As the Gulf war is going on, the United States still needs the support from the Soviet Union, a permanent member of the U.N. Security Council, which also has much influence in the Middle East.

It is obvious that the administration, which fears of a reverse of U.S.-Soviet relations, is certainly unwilling, particularly at this critical time, to push too hard on the Soviet Baltics.

On the other hand, Bush is pressed hard by the Congress and the conservative wing of his Republican Party to take severe measures in response to the Baltic situation as other Western nations have done.

Under such circumstances, the Bush administration found a balanced way—rescheduling the summit and avoiding the touchy issue of Baltics.

For the Soviet Union, it is acceptable that the summit is postponed but not cancelled because of the war but not its internal affairs.

Although both sides have tried to avoid losing face on the summit issue and left the world an impression that the U.S.-Soviet relations are as close as in the past years, the United States is beginning to take more cautious attitude toward the Soviet Union.

Comments that Mikhail Gorbachev, whom the United States trusts, of today is "a different person from the one making the decision previously" is now spreading in Washington.

A U.S. Administration official has predicted that if perestroika is reversed in Moscow and foreign policies do not change drastically, the Washington-Moscow relationship could go back to something akin to the earlier time.

Others even believe U.S.-Soviet relations could deteriorate more sharply than this model implies.

What scenario will come true remains to be seen. But it is certain that relations between the two countries will become delicate in the short run.

Li Peng Stresses Cooperation In Meteorology

OW2901113491 Beijing XINHUA in English
1041 GMT 29 Jan 91

[Text] Beijing, January 29 (XINHUA)—Chinese Premier Li Peng today said China will undertake more international cooperation in the meteorological field.

Li made the remark this afternoon, as he met with participants of the 24th bureau meeting of the World Meteorological Organization (WMO), which opened here yesterday.

As a country with a rural population of more than 800 million, often suffering from natural calamities, China has always attached importance to meteorological work, for "agriculture depends so much on meteorology."

Now, he said, China has built up a multi-layer, complete meteorological system, with its own meteorological satellites and computer control network.

Also, the Chinese meteorological departments have conducted "necessary and fruitful" cooperation with their foreign or international counterparts, Li noted. "China will further strengthen its cooperation with WMO and meteorological institutions in other countries."

The globally increasing temperature and the depletion of the ozone layer are drawing growing worldwide concern, and China is willing to cooperate with the international meteorological community to deal with these problems, Li said.

As Zou Jingmeng, director of the State Meteorological Administration of China, is WMO president now, Li thanked other WMO officials for supporting Zou's work. Zou was elected WMO president in May, 1987.

John Zillman, first vice president of WMO and director of Australia's Meteorological Administration, spoke highly of China's contributions to the world's meteorological undertakings as well as its support for WMO's programs.

Confidence-Building Measures Proposed

OW2701021791 Beijing XINHUA in English
1601 GMT 26 Jan 91

[Text] Kathmandu, January 26 (XINHUA)—A number of interesting confidence-building measures have been identified as potentially useful in addressing the security concerns of the states in Northeast and Southeast Asia, United Nations Under Secretary General Yasushi Akashi announced here today.

The announcement came in his closing statement of a three-day regional meeting on confidence-building in the Asia-Pacific region which was attended by 32 governmental and non-governmental representatives from 21 countries, including China, the United States, the Soviet Union, Canada and Japan.

The participants widely agreed it would be prudent for states in this region to adopt a step-by-step, gradualistic approach in their consideration of measures which could be adopted to enhance confidence and security at the unilateral, bilateral, sub-regional as well as regional level, he added.

He noted that measures to enhance security need not be limited to military ones, but also cover non-military ones—political, economic, humanitarian and other measures.

The Northeast Asia working group stressed that the outstanding issues in that sub-region should be solved primarily by the states themselves, with the participation of other states or international organizations as appropriate.

The Southeast Asia working group considered the suggestion that endorsement given to the 1976 treaty of amity and cooperation in Southeast Asia by the non-ASEAN members, as a first step towards a new inter-governmental mechanism for region-wide conflict resolution and cooperation. [sentence as received]

The regional meeting, sponsored by the United Nations department of disarmament, had been the second of the kind since the establishment of the Kathmandu-based U.N. regional center for peace and disarmament in Asia and Pacific on January 8, 1988.

Comparison of Official on Asian-Pacific Security

OW2601094091

Beijing XINHUA Domestic Service in Chinese at 1520 GMT on 25 January carries an 800-character report on the speech by Qin Huasun, director of the Chinese Foreign Ministry, at a meeting on confidence-building measures in the Asia-Pacific region held in Kathmandu on the same day.

The XINHUA Chinese version has been compared to the English version published in the 25 January China DAILY REPORT, page 6, revealing the following variations:

Column one, paragraph three, XINHUA Chinese version reads: Qin Huasun [4440 5478 1327], director of the Department of International Organizations and Conferences under the Chinese Ministry of Foreign Affairs, said at the meeting that "the more urgent tasks facing the Asian-Pacific region today are: For one thing, the solution of hot-spot issues and bilateral disputes, for another, the strengthening of economic cooperation." (providing STC's for Qin Huasun's name and specifying his title)

Paragraph five, only sentence, XINHUA Chinese version reads: "On this basis," he believed, "they can gradually establish and develop regional security mechanisms, first in small areas, and then, gradually and as circumstances so required, extend them to larger regions."

Regarding the nonmilitary measures for building confidence, he suggested that under the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in one another's internal affairs, and peaceful coexistence, all nations establish and develop political, diplomatic, and economic relations; stop interference in, aggression against, and occupation of other countries; oppose expansionism; and settle disputes among nations through peaceful means.

Regarding the military or paramilitary measures for building confidence, he maintained that nuclear powers should guarantee not to use or threaten to use nuclear weapons against nonnuclear nations; that the nations concerned should establish nuclear-free or peace zones to avoid proliferation of nuclear weapons; that nuclear powers should respect the status of nuclear-free and peace zones; and that military bases, weapons, and armament, especially nuclear weapons, deployed in the territories of other countries should be dismantled, and troops stationed in other countries withdrawn.

Meanwhile, he pointed out that "the United States and the Soviet Union still maintain huge offensive armed forces in the Asia-Pacific region, including the army, the other countries and exerting a negative influence on the political and security situation in this region." (deleting paragraphs six and seven, adding two paragraphs)

Column two, last paragraph, XINHUA Chinese version reads: "The three-day meeting opened yesterday. A total of 32 government officials, scholars and experts from 21 countries including China, the United States, the Soviet Union, Japan, and Pakistan attended the meeting to explore measures to build confidence as well as ways and means to ensure security and disarmament in the Asia-Pacific region." (supplying variant last paragraph)

Ministry To Expand Cooperation With World Bank
OW2901094791 Beijing XINHUA in English
0830 GMT 29 Jan 91

[Text] Beijing, January 29 (XINHUA)—China wants to further expand its cooperation with the World Bank, a senior Chinese official said here today.

Chinese Vice-Minister of Finance Chi Haibin said that China will make better use of the World Bank loans to accelerate its economic and social development.

He said that the past decade witnessed fruitful cooperation between China and the World Bank. This cooperation included committed loans totaling 9.6 billion U.S. dollars for 87 projects.

He was speaking at a meeting for the third project implementation review, which was jointly sponsored by the Ministry of Finance and the World Bank. About 180 specialists and officials from both China and the World Bank have participated in a review of the implemented projects.

The next decade is a vital period for China's economic development. China will launch its Ten-Year (1991-2000) Program and Eighth Five-Year Plan (1991-1995) and will actively work to promote international cooperation.

Shahid Javed Burki, director of the China Department of the World Bank, said at the meeting that the World Bank loans, if properly utilized, can make a significant contribution to China's development and modernization.

Chi Haibin said that the World Bank loans not only played a large role in providing funds and technology for China's construction, but also in introducing advanced expertise in modern economic management.

Reviewing the implementation of projects, officials from the World Bank said that on the whole the projects have been implemented quite well, noting that the agricultural projects are the best in the world.

However, they noted that some problems still remain, including the inadequate preparation of projects, delays in bidding and procurement, insufficient domestic funds and the poor management of engineering projects and technical assistance projects.

In response, the Chinese officials said that they will take effective measures and make great efforts to improve and ensure the smooth implementation of all projects.

Comparison of Qian Qichen Meets Algerian Envoy
OW2801120791

Beijing XINHUA Domestic Service in Chinese at 0937 GMT on 28 January transmits a 497-character report on Qian Qichen's meeting with an Algerian special envoy.

This version has been compared to the XINHUA English version published in the 28 January China DAILY REPORT, revealing the following variations:

Column two, last paragraph, only sentence, XINHUA Chinese version reads: "Debagha arrived here on January 26 and is scheduled to leave this evening. During

his stay in Beijing, Vice Foreign Minister Yang Changfu met with and feted special envoy Debagha. (providing additional sentence.)

Soviet Union

Bessmertnykh Says No Change in Foreign Policy

OW2601140391 Beijing XINHUA in English
1328 GMT 26 Jan 91

[Text] Moscow, January 26 (XINHUA)—New Soviet Foreign Minister Aleksandr Bessmertnykh today reassured the United States that there would be no change in Soviet foreign policy.

He told reporters at Vnukovo-2 airport before his departure for Washington that he was paying the visit under an agreement reached between former Soviet Foreign Minister Eduard Shevardnadze and U.S. Secretary of State James Baker, said the state TASS News Agency.

On the agenda of the visit, discussions will be focused on the prospect for the scheduled Soviet-U.S. summit and an overall assessment of the bilateral relations in the context of international issues, TASS quoted the foreign minister as saying.

"We do not intend to change major directions of our foreign policy, including relations with the United States," Bessmertnykh said.

USSR To Begin Joint Police-Soldier Patrols

OW2601055291 Beijing XINHUA in English
0250 GMT 26 Jan 91

[Text] Moscow, January 25 (XINHUA)—The information centers of the Soviet interior and defense ministries announced today that joint patrols by police and soldiers will begin in Moscow and other important cities in the country starting February 1.

Soviet television said the order was issued last December 29 by the interior and defense ministers that the country would carry out joint patrols in Moscow, the capitals of each republic and cities with major enterprises and military posts.

They will be equipped with weapons during their night and holiday patrol duties, the announcement said, adding that the troops stationed in urban centers will also have vehicle and armored patrol teams.

The announcement said criminals possess a large number of weapons which pose a danger to public order in Soviet cities. Many policemen, soldiers and their relatives as well as military facilities have repeatedly been attacked.

Foreigners Cautioned on Traveling to Baltic Region

OW2601060791 Beijing XINHUA in English
0213 GMT 26 Jan 91

[Text] Moscow, January 25 (XINHUA)—Soviet Foreign Ministry spokesman Vitaliy Churkin urged all foreigners to take caution when traveling in the Soviet Baltic republics.

Churkin made the remarks at a news briefing here today in view of the fact that two Swedes were found dead in Tallinn, capital of Estonia on January 24.

According to officials of the Soviet Interior Ministry, initial investigation indicates it is a typical criminal case with no political purpose.

Local reports said the situation in the Baltic region is growing more turbulent, including an increase in criminal activities.

Northeast Asia

S. Korea To Open Trade Office in Beijing 30 Jan

OW2801151091 Tokyo KYODO in English 1433 GMT
28 Jan 91

[Text] Beijing, Jan. 28 KYODO—South Korea's trade promotion agency, Korea Trade Promotion Corp. (Kotra), will open a representative office in Beijing on Wednesday, Korean sources here said Monday.

However, an opening ceremony for the office will be held "privately" in consideration of China's relations with North Korea, the sources said.

No Chae Won, former vice foreign minister, will be the Kotra representative.

The sources added that half of the office's 20 members are on lease to Kotra from the South Korean Foreign Ministry, and that the office will have a consular function, such as issuing visas.

The opening of permanent representative offices was agreed on last October between Kotra and its Chinese counterpart.

The office of the Chinese trade representative in Seoul, however, will not be opened until about March, the sources said.

DPRK Newspaper Lashes Out at Peaceful Evolution

HK2501133191 Beijing RENMIN RIBAO in Chinese
23 Jan 91 p 6

[XINHUA report: "Korea's NODONG SINMUN Carries Article Exposing Peaceful Evolution Strategy of the West"]

[Text] Pyongyang, 22 Jan (XINHUA)—In a signed article published today, Korea's NODONG SINMUN

lashed out at the peaceful evolution strategy of the West. The article points out that the essence of peaceful evolution is to disintegrate socialism and achieve the aim of aggression.

The article says: Only by correctly understanding the essence of the peaceful evolution strategy is it possible to win in the struggle to defend socialism. The essence of the peaceful evolution strategy is to disintegrate socialism from within and dominate socialism in the political and economic fields.

The article says: After World War II, the West claimed that they would safeguard the "free world" from "communist threat." They threatened socialist states and the national liberation movement with nuclear weapons and military technology and wantonly pursued a strategy of "force." Today, they have again taken advantage of the reform and opening up in socialist states to carry out peaceful evolution. They have stepped up offensives against socialism in the ideological and cultural fields and used the so-called "socialist crisis" and "prosperity of the Western world" to arouse people's illusion about capitalism. Under the capitalist slogans of "democracy," "human rights," and "freedom," they attempt to evoke bourgeois democracy and freedom among the socialist people and to weaken people's conviction in socialism. In a bid to weaken the leadership of the political parties of the working class, they noisily advocate implementation of a "multiparty system" and "pluralism" in order to create anarchy within socialism and win over the younger generation and intellectuals who have not undergone revolutionary tests.

DPRK Establishes Reunification Headquarters

OW2601085191 Beijing XINHUA in English
0801 GMT 26 Jan 91

[Text] Pyongyang, January 26 (XINHUA)—The north side's headquarters of "Pan-National Alliance for Reunification" (Pomminryon) of Korea was set up here yesterday.

The founding of Pomminryon was in accordance with an agreement reached during the tripartite working-level talks of Koreans in the North, South and overseas, which was held in Berlin last November.

It was decided during the talks to form and run a joint Presidium and a Central Committee as central bodies of the Pomminryon and to organize regional headquarters of Pomminryon in the North, South and overseas.

Yun Ki-pok, secretary of the Central Committee of the Workers' Party of Korea, was elected chairman of the headquarters at its inaugural meeting.

A preparatory committee with priest Mun Ik-hwan as chairman for the founding of the South side's headquarters was reportedly set up in Seoul on January 24.

DPRK Condemns 'Team Spirit' Military Exercise

OW2601153391 Beijing XINHUA in English
1428 GMT 26 Jan 91

[Text] Pyongyang, January 26 (XINHUA)—The Democratic People's Republic of Korea (DPRK) today strongly condemned South Korea and the United States for holding their "Team Spirit 91" military exercise this year.

The exercise would hamper inter-Korean dialogue, a statement issued by DPRK Foreign Ministry said.

It said the exercise would increase tensions on the Korean peninsula, and called for it to be immediately discontinued.

Last year, the statement said, the two sides of Korea held high-level talks and people from each side met in Seoul and Pyongyang, bringing hopes for reunification of Korea.

The DPRK suggested the suspension of the "Team Spirit" should be considered an urgent issue. If it could not stopped totally, at least it should be suspended for the two or three years while high-level talks continued, the statement noted.

However, it added, the United States and South Korea had evaded the proposal and created obstacles to inter-Korean dialogue.

The statement called on all peace-loving countries, governments and peoples in the world to pay great attention to the situation on the Korean peninsula and to support DPRK's efforts for peace.

On January 25, the United States and South Korea announced jointly that their annual "Team Spirit" exercise will be held from the end of this month to the end of April, but the size will be reduced by 30 percent and the time of formal exercise reduced from two weeks to 10 days.

Jiang Zemin, Mongolia's Ochirbat Hold Talks

OW2801142091 Beijing XINHUA in English
1403 GMT 28 Jan 91

[Text] Beijing, January 28 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), met Gombojabyn Ochirbat, chairman of the Central Committee of the Mongolian People's Revolutionary Party (MPRP), at the Great Hall of the People here this afternoon.

It was the first time for the top leaders of the CPC and the MPRP to meet for over three decades.

During the 80-minute meeting and in a cordial atmosphere, the two party leaders exchanged views on the development of relations between China and Mongolia as well as between the two parties, according to a Chinese official present at the meeting.

Song Ping, member of the Standing Committee of the Political Bureau of the CPC Central Committee, was also present at the meeting.

Jiang said that since the CPC and the MPRP resumed formal ties in July 1989 their relations have been improved and developed.

He said there have been many friendly exchanges between the two parties and the two countries.

Ochirbat said the resumption and development of the relations between the CPC and the MPRP have played, and will continue to play, a very important role in the improvement and development of the relations between Mongolia and China.

He expressed his wish to further the relations in every field between his party and the CPC.

Briefing Ochirbat on China's domestic situation, Jiang Zemin said that for the past dozen years China has adhered to the principles of reform and opening to the outside world, and has scored great progress.

He noted that China has gained some experiences and learned some lessons from this effort. "More than 1.1 billion people must be fed, and so agriculture should be placed on top of the agenda," he said.

"It is good to seek faster economic growth, but a sustained, stable and harmonious economic development should be ensured first," he said.

Practice has shown that without a political situation of stability and unity, economic development is impossible, he stressed.

He also informed the guests of the development of the system of multi-party co-operation and political consultations led by the CPC, perfection of the system of the Chinese People's Congresses and strengthening of socialist democracy and the legal system.

Ochirbat said that his party will, under the condition of a stable political situation, unite the whole Mongolian people to carry out construction, raise economic efficiency and improve the people's living standards.

He added that the MPRP will co-operate with other political parties.

He noted that his party will adhere to the open policy and the socialist road.

He said China's experiences in its reforms and construction are very important for Mongolia.

After the meeting Jiang hosted a banquet for Ochirbat and his party.

Song Ping was present at the banquet.

Among those who were present at the meeting and the banquet were Zhu Liang, member of the CPC Central Committee and head of the International Liaison

Department of the CPC Central Committee, Chen Jinhua, minister in charge of the State Commission for Restructuring the Economy, and Mongolian Ambassador to China H. Oldzboy.

Ochirbat and his party arrived in Beijing by plane earlier today on an eight-day visit to China at the invitation of the CPC Central Committee.

MPRP Group Meets With Song Ping

OW2901110591 Beijing XINHUA in English
0947 GMT 29 Jan 91

[Text] Beijing, January 29 (XINHUA)—Song Ping, Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), held talks here today with Gombojabyn Ochirbat, chairman of the central committee of the Mongolian People's Revolutionary Party (MPRP), in a cordial and friendly atmosphere.

During the talks, both sides expressed their satisfaction with the development of the relations between the CPC and MPRP over the past years and their willingness to further these relations.

Chairman Ochirbat briefed the Chinese side on the MPRP's guidelines and policies for Mongolia's economic and political reforms and opening to the outside world.

Song Ping informed the guests of China's socialist construction, economic reforms and opening to the outside world, and outlined the major tasks, principles and policies for China's Eighth Five-Year Plan (1991-1995) and Ten-Year Program for National Economic and Social Development.

He said that the key points of China's principles and policies for the construction of socialism with Chinese characteristics lies in the country's unswerving adherence to the reforms and opening to the outside world, as well as to the four cardinal principles.

He said that economic and political reforms should be based on reality and should contribute to political and social stability and economic development.

"In the course of economic reforms and opening to the outside world, we emphasize the construction of the party, adherence to the party leadership, and perfection of the leadership," he said.

He added that leaders at every level and party members are required to keep close links with the people, and to be under the people's supervision.

Participants in the talks on the Mongolian side included Badadorjain Bathysygy, presidium member and secretary of the MPRP Central Committee, and H. Oldzboy, the Mongolian ambassador to China.

Among those participating in the talks on the Chinese side was Zhu Liang, member of the CPC Central Committee and head of the committee's International Liaison Department.

Newsletter on Mongolians' Chinese Interest

OW2701145991 Beijing XINHUA Domestic Service
in Chinese 1457 GMT 25 Jan 91

["Newsletter" by XINHUA reporter Bataerlun (1572 1044 1422 0178); Special for BEIJING RIBAO]

[Text] Ulaanbaatar, 24 January (XINHUA)—"Who understands China most?" This is the subject of a quiz contest currently under way throughout Mongolia. In an interview with this reporter, the sponsor of this activity, Ayuerzhana, president of the Mongolian Union of Sinologists, said: The quiz contest began in October, and the final results will be out in August. Presently, letters in reply to these questions have been received from all over the country. The prizes for the top two winners will be a free trip to China fully paid by the sponsor.

How can one learn about China? Of course, radios, television, papers, periodicals, and other mass media are the main channels for acquiring knowledge about the outside world, but the Mongolian people firmly believe that seeing for themselves is better than learning from others. They always want to have a glimpse of reform and opening to the outside world in China. A Mongolian friend who has worked in western countries for many years said, after returning from a trip to China: "Whether strolling along a street in Beijing, standing in front of a shopping mall in Shenzhen, or staying at a hotel in Guangzhou, one would think that he is probably in London or Paris and dare not believe that this is China."

In order to better understand China, much research into China's experience in reform and opening to the outside world has emerged in Mongolia, and many people have gone to China to seek partners, to study, to visit friends and relatives, to do business, and to learn the Chinese language. The Mongolian Union of Sinologists held a symposium on China's experience in reform and opening to the outside world in Ulaanbaatar last October. Sinologists and sociologists from Mongolia, China, and Great Britain each aired their own views and exchanged experiences. Based on the realities in Mongolia, they probed into the prospects of economic reform and on how to draw on the experience of China. The union also published the YINGYANG MONTHLY to provide all sorts of information about China and to introduce the local conditions and customs of various places. The monthly also started a column called "Do You Understand China?"

Only a handful of people actually have the opportunity to visit China, however. Although the number of people going to China for study has increased many fold, they failed to dampen the wish of those wanting to go. My good friend, Professor Chu Dalai, the famous Mongolian

Sinologist who studied at Beijing University in the 1950's, did not hesitate spending 10,000 yuan of his own money each year to send his son to China for higher studies.

The tide of commodity economy also brings more and more young Mongolian entrepreneurs and individual traders to China. Upon returning to Mongolia they would relate to their colleagues, friends, and relatives the rich variety of goods in China, the beauty of Chinese cities, the modernity of business concerns, and the grace of urban young men and women.

With the strong desire to go to China, transportation has become a big problem. During the off-peak season in the winter, the two international rail services each week between the two capitals are frequently full, and tickets have to be purchased two months in advance. The weekly flight by the Mongolian civil airline between Ulaanbaatar and Beijing was replaced with a bigger plane because of the many passengers. Later, it used two planes. Presently, it is compelled to increase the number of weekly flights. Because it is already difficult to meet the demand during the off-peak season, it is even more difficult to find seats on trains and flights during the peak travel season.

To deal with China, it is necessary to learn the Chinese language. In the past year, the craze to learn Chinese has appeared in Mongolian society. Some colleges and middle schools in the capital Ulaanbaatar have introduced Chinese-language classes. Many part-time Chinese-language classes have also cropped up in society. According to newspaper reports, the fourth through ninth graders of a middle school in Mongolia's Middle Gobi Province will use their month-long winter vacation during the Spring Festival to hire teachers, at their own expense, to teach them Chinese three to four hours each day. Since there are no textbooks they will have to copy and print them. On one occasion, the Chinese embassy in Mongolia received two seven- or eight-year-old girls who expressed the wish to obtain a set of elementary Chinese-language textbooks. Their little faces glowed with sweet smiles when their wish was fulfilled.

Different people have different tastes, and their interests in China also are varied. Elderly people admire Chinese acupuncture and praise its powerful rejuvenation. They try every means possible to go to China for treatment, and clinics of traditional Chinese medicine run by doctors from China are crowded with people every day. Youngsters like to learn shaolin gongfu and chinese qigong, and have invited instructors from China to teach them wusu. Girls spend vast sums to buy Chinese fashions and shoes from the black market. Wine lovers can not help but praise the flavors of Chinese wines.

Mongolian friends said that the rise of China serves as an important inspiration for Mongolia. Within a short period of 10 years, tremendous changes have taken place in China. It solved the problem of feeding and clothing 1.1 billion people, and enabled a considerable number of

people to enjoy the material progress of the modern world. Mongolia, with only 2 million people, should be able to surmount the present difficulties confronting it.

Beijing Views Japan's Reactions to Gulf

*OW2901064091 Beijing in Japanese to Japan
0930 GMT 25 Jan 91*

[Text] Beijing Radio's Tokyo correspondent reported that the Japanese Government, in meetings of the Gulf Crisis Countermeasure Headquarters and the National Security Council, decided to dispatch transport planes of the Self-Defense Forces [SDF] to the Gulf area. He noted that this was the first time Japan had sent military aircraft to an area of international conflict since the end of World War II.

The correspondent also reported that the Japanese Government announced a decision to provide \$9 billion to multinational forces in the Gulf area and that opposition parties in Japan are objecting to Japan providing monetary contributions, saying that the Japanese Government should make efforts to call for an immediate cease-fire instead.

He further reported that many Japanese do not desire to buy the lives of other people with monetary contributions, and want the crisis in the Gulf to be resolved in a peaceful manner, without delay. The general public in Japan thinks this issue will become the subject of fierce debate at the resumption of the Diet today, according to him.

RENMIN RIBAO, meanwhile, in today's issue, carried an article entitled Japan's Mideast Policy Inviting Debates Again, reporting that the Japanese people are uneasy about the so-called Mideast contribution measures adopted under the pressure of the United States, and that the measures are now meeting objections of such groups as a consumer association, as well as opposition parties. The article noted that the Japanese Government is now faced with major trials.

On the other hand, a XINHUA NEWS AGENCY dispatch from Tokyo reported that Mr. Nakamura, chairman of the Japanese Students Killed in War, said that the government should not provide monetary or military support to the multinational forces if it wants to stop the conflict. A responsible official of the Club of Women Who Do Not Permit A Way to War said that SDF aircraft going to a war zone is an act of participation. She added that providing funds in fact constitutes an act of military support and hence cannot be permitted.

A correspondent of RENMIN RIBAO in Tokyo also reported that the Iraqi ambassador to Japan declared that, if Japan sends SDF aircraft, they can be targets of attack.

According to a report by XINHUA NEWS AGENCY from Tokyo, the Sanwa Sogo Institute, in its forecast on

the impact of the Gulf war on the world, predicted that, if the war is prolonged, the real-term economic growth of the United States will go down to minus 1.4 percent this year, and that, if oil fields are damaged extensively as a result of the war prolonged into April, the supplies of oil will become constrained and the price will go up to a level as high as \$40 per barrel and the Japanese yen will go down to a level as low as Y140 per dollar.

Chen Muhua Meets Japanese Visitors

*OW2701151191 Beijing XINHUA in English
1430 GMT 27 Jan 91*

[Text] Beijing, January 27 (XINHUA)—Chen Muhua, president of the All-China Women's Federation, met with Wak Bayashi Chieko, an old friend of the Chinese people and representative of the Japanese music center, and her party here tonight.

Chieko, with 35-year-old experience in singing Chinese songs, began her program of collecting 1,000 pianos in Japan for Chinese children five years ago. So far some 700 pianos and 100 electronic pianos have been collected and will be sent to China soon.

Southeast Asia & Pacific

Luo Gan Delegation Meets Burmese Minister

*OW2801172491 Beijing XINHUA in English
1451 GMT 28 Jan 91*

[Text] Yangon [Rangoon], January 28 (XINHUA)—Lt-Gen. Phone Myint, minister for culture, information and for home and religious affairs, met with a Chinese Government delegation here today.

The Chinese delegation led by Luo Gan, secretary-general of the State Council, has come for attending a handover ceremony of the national theater to the Myanmar [Burma] Government by the Chinese Government.

In their talks, the Myanmar minister cited the China-aided theater as a symbol of Myanmar-China friendship, saying that "it will be extolled by the peoples of Myanmar and China."

He praised Chinese technicians for their attitude of seriousness and hard work during the construction of the theater and thanked the Chinese Embassy for its full support to the project.

Luo Gan noted that China and Myanmar are good neighbors with a traditional friendship. He expressed the hope that "the friendly relations between the two countries would be further strengthened."

Roundup on Uncertain Future for Bougainville

OW2501212391 Beijing XINHUA in English
1711 GMT 26 Jan 91

[Round-Up: Bougainville's Future Remains Uncertain Despite Peace Accord (by Xu Yuenai)—XINHUA headline]

[Text] Canberra, January 25 (XINHUA)—The future political status of Papua New Guinea's (PNG) secessionist island of Bougainville remains uncertain although a peace agreement was signed after two years of violence in which about 150 people died and serious damage was done to the nation's economy.

The agreement, called "Honiara Declaration on Peace, Reconciliation and Rehabilitation on Bougainville" was signed at the end of two-day intensive talks on the night of January 23 in Honiara, capital of the Solomon Islands, by PNG chief negotiator, Foreign Minister Michael Somarewn and leader of the Bougainville team Joseph Kabui.

Under the agreement, the Bougainville secessionists will be granted immunity from prosecution and a multinational team, which is likely to consist of police and military personnel from Australia, New Zealand, Canada, Fiji, Vanuatu and the Solomon Islands, will supervise the restoration of peace on Bougainville.

The restoration process is expected to take three years and will be reviewed every six months. It will be in two phases, the first seeing the immediate resumption of essential services in health and education. The second phase involves the establishment of a body known as "The Legal Authority in Bougainville."

According to reports this week from PNG's capital of Port Moresby, the PNG Government has agreed that security forces would not return to the copper-rich Bougainville Island. This is a long-standing demand by the Bougainville team. The self-styled Bougainville Revolutionary Army has in turn made a commitment to surrender and lay down its arms to members of the multinational team, as well as releasing all prisoners.

However, one report said that there appears to be some confusion on whether or not the surrendered arms will actually be destroyed. The report quoted Bougainville delegates as saying that the final, initialed version of the declaration did include such a commitment, but they maintain this was an oversight and should be removed.

Nevertheless, the declaration has been widely welcomed by PNG's South Pacific neighbors as an encouraging development towards a peaceful solution of the Bougainville crisis.

Both sides have said they want peace and reconciliation and pledged to take a joint responsibility to refrain from

the use of arms, and agreed to defer discussions on the future of political status of Bougainville.

PNG troops, unable to quell the rebellion on Bougainville, withdrew from the island last May. The conflict had forced the closure of the Bougainville Copper Mine which contributed more than a third of PNG's export earnings.

The first round of peace talks began last August on a New Zealand naval ship "Endeavor" anchored off Bougainville, but the endeavor accord broke down amid claims that the PNG Government had breached its terms by sending troops on Buka, off the northern tip of Bougainville.

Analysts here believe that PNG, while still insisting that Bougainville should never secede from PNG and the issue is wholly an internal matter, is internationalizing the problem by involving outsiders.

It is most likely that the PNG Government will grant some form of autonomous government to Bougainville by establishing "the legal authority" on the island as it has already been stated in the honiara declaration.

East Europe

Albania's Malile on Li Peng, Qian Talks

OW2901093791 Beijing XINHUA Domestic Service
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[Text] Tirana, 28 Jan (XINHUA)—Albanian Foreign Minister Reis Malile, who has just returned to Albania after concluding his visit to China, said his visit to China was a complete success and that cooperative relations between Albania and China will develop on the road of friendship.

Foreign Minister Malile made these remarks at the airport to a XINHUA reporter when he arrived in Tirana on the afternoon of 28 January.

Foreign Minister Malile said his meeting with Premier Li Peng was very meaningful, and he was deeply impressed by the meeting. He said he was satisfied with his talks with Foreign Minister Qian Qichen.

Foreign Minister Malile said, through common efforts by both sides, his visit achieved positive results and was completely successful. He believed that cooperative relations between Albania and China will develop on the road of friendship and that the prospects of relations between the two countries are good.

Foreign Minister Malile returned home after he concluded his formal good-will visit to China from 22 to 26 January at the invitation of Foreign Minister Qian Qichen. Gu Fanxuan, Chinese ambassador to Albania, greeted Foreign Minister Malile at the airport.

Central Committee Plenum

CPC 'Proposals' to 7th Central Committee Plenum

OW2801104091 Beijing XINHUA Domestic Service
in Chinese 0649 GMT 28 Jan 91

[Text] Beijing, 28 Jan (XINHUA)—

Proposals of the CPC Central Committee for Formulating the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development, adopted by the Seventh Plenary Session of the 13th CPC Central Committee on 30 December 1990:

The Seventh Plenary Session of the 13th CPC Central Committee discussed the basic tasks, principles, and policies for national economic and social development in the next 10 years and for the Eighth Five-Year Plan and adopted the following proposals:

I. Main Objectives To Be Achieved and Basic Guidelines

1. The last decade of this century will be very pivotal in the historical process of China's socialist modernization construction. This is determined by the current domestic and international situation. Domestically, since China opened up a new situation of socialist modernization construction in the 1980's, we have undergone severe political tests while facing many contradictions and problems in economic and social development; some destabilizing factors have existed despite the overall situation in the country which is characterized by stability and unity. Internationally, in the next decade, we will be able to continue to win a favorable external environment for China's modernization drive amid rapid political changes and fierce economic competition in the world. Success or failure in our efforts in the 1990's to consolidate and develop achievements of the 1980's, further promote economic growth and social progress, and usher China into the 21st century with even greater pride will have a direct bearing on the rise or fall of socialism in China and the destiny of the Chinese nation. The Central Committee hopes that comrades of the whole party and Chinese people of all nationalities will enhance their sense of responsibility and urgency toward history and our times, consolidate and develop the political situation characterized by stability and unity, and concentrate efforts on effectively carrying out economic construction, reforms, and opening up so that our great motherland can stand rock-solid in the East with even greater vitality.

2. From 1991 to 2000, we will realize the second-step strategic objective of modernization and raise the quality of the national economy as a whole to a new level. The three-step strategic arrangements set by the Central Committee for China's modernization following the Third Plenary Session of the 11th CPC Central Committee are correct. The first-step strategic objective—that is, doubling the gross national product of 1980 and providing enough for the people to eat and wear—

basically has been achieved. Basic requirements for realizing the second-step strategic objective in the next decade are as follows:

—On the basis of greatly improving economic efficiency and optimizing the economic structure, the gross national product of 1980 will be quadrupled by the end of this century in terms of constant price. To achieve this objective, the gross national product will be required to grow at an annual rate of about six percent, which is a relatively high growth rate in the world.

—The people's living standards will improve from just having enough to eat and wear to a state of leading a fairly comfortable life, with more ample means of subsistence, the rationalization of consumption structures, significant improvement in the conditions of dwellings, a more colorful cultural life, and continuous improvement of health and social services.

—Efforts will be made to expand educational undertakings, promote scientific and technological progress, improve economic management, readjust the economic structure, and give priority to key construction projects so as to lay the material and technological foundation for China's sustained economic and social development in the early 21st century.

—An economic structure and operating mechanism initially will be established to meet the growth needs of the socialist planned commodity economy, based on public ownership and combining the planned economy with market regulation.

—The building of socialist spiritual civilization will be raised to a new high and socialist democracy and the legal system be further improved.

3. We in the 1980's have made great achievements in reform, opening to the outside world, and the modernization drive, and have laid a comparatively solid foundation for the economic and social development of the 1990's.

—Economic restructuring has been carried out in an all-round way. It has changed the structure that blocked the development of productive forces. The universal practice of the household contract responsibility system in rural areas which links output to remuneration has played an important role in promoting the development of agricultural production and the national economy as a whole. In urban areas, we have carried out reforms to varying degrees, focusing on the central task of invigorating enterprises in planning, finance, taxation, banking, materials, commerce, foreign trade, prices, labor, and wages. We have expanded the powers of local authorities and enterprises and have promoted the development of the commodity economy. Accordingly, reforms also have been carried out in the management system for science and technology, the educational system, and the political structure. The reforms of the last 10 years have aroused enthusiasm in all quarters, remarkably

enhanced economic vigor, and provided a valuable experience for deepening the reforms henceforward.

—An important stride has been taken in opening our country to the outside world; our economic and technological exchanges and cooperation with foreign countries have been expanded rapidly and our economy has freed itself from a closed or semiclosed state and ascended onto the world stage in great stride. The total volume of import and export trade in 1990, as compared with 1980, will increase by nearly 200 percent to \$113 billion from \$38 billion. The scope and area of opening to the outside world have been expanding constantly, creating a gradually progressive opening pattern of "special economic zones—coastal open cities—coastal open economic zones—inland regions."

—Major progress has been made in production and construction, with fairly large increases in the output and production capacity of major industrial and agricultural products. In 1990, as compared with 1980, grain output increased by 31 percent to 420 million tonnes from 320 million tonnes; cotton output increased by 56.8 percent to 4.25 million tonnes from 2.71 million tonnes; raw coal output increased by 75.8 percent to 1.09 billion tonnes from 620 million tonnes; electric power generation increased by 104.6 percent to 615 billion kilowatt-hours [KWH] from 300.6 billion KWH; and steel output increased by 77.3 percent to 65.8 million tonnes from 37.12 million tonnes. During these 10 years, more than 1,000 large and medium-sized projects have been completed and put into operation, and the technological level of social production has been raised constantly, building up our capacity for further economic development.

—The development of intellectual resources has been stepped up constantly, and fairly rapid progress has been made in science and technology, and in educational undertakings. In last 10 years, more than 110,000 major scientific and technological achievements have been made across the country, and more than 1,700 inventions have received state awards, with some of those items coming up to the highest world standards. Primary school education has been made universal in 71 percent of counties, while junior middle school education has become universal in most cities across the country. Rapid expansion has been made in secondary vocational and technical education. In higher education, a comparatively adequate system of multiple levels, forms, and disciplines has been formulated initially. Unprecedented developments have been achieved in adult education and technical training.

—Residents' consumption level has risen markedly, and their living conditions have improved considerably. The 1980's were a decade in which the living standards of people across the country improved most rapidly. Most regions in the country have solved the problem of basic needs in food and clothing, and some

regions have begun to shift to leading a fairly comfortable life. In 1990, the average consumption level of urban and rural residents across the country is expected to be around 720 yuan, up approximately 80 percent from that of 1980 or an annual average of 6 percent if price changes are taken into account. The consumption of urban and rural residents has become more and more diversified, and their consumption quality has improved considerably. The living standards of the people in poor regions also have improved to varying degrees.

In short, economic and social life in both rural and urban areas, and in both coastal and inland regions in China has shown unprecedented vitality in the 1980's. Our national economic strength has been enhanced remarkably, and a profound change has taken place in the situation of our society. The socialist system gradually is being brought to perfection, and the political situation of stability and unity is being consolidated and enhanced continuously. The great achievements in the 1980's have further firmed the confidence of the Communist Party of China and the Chinese people in wholeheartedly undertaking socialist modernization and have enhanced their courage and perseverance in overcoming difficulties.

4. Upholding the road of building socialism with Chinese characteristics is the fundamental guarantee for realizing the second-stage strategic goal. On Comrade Deng Xiaoping's initiative, since the Third Plenary Session of the 11th CPC Central Committee, and through the 12th and 13th National Party Congresses, our party has reached the scientific conclusion that China is in the primary stage of socialism, and has formulated the basic line of making economic development the central task while upholding the four cardinal principles, reform, and opening, as well as a series of effective principles and policies. All this was made in accordance with the principle of integrating the universal truth of Marxism with China's concrete practice and on the basis of thoroughly summing up historical and current practical experiences. The whole party has reached a consensus on the basic theory and practice of building socialism with Chinese characteristics. In short, it primarily calls for:

—Upholding people's democratic dictatorship founded on the worker-peasant alliance under the leadership of the working class, constantly perfecting the systems of people's congresses and Communist Party-led multi-party cooperation and political consultation, continuously consolidating and developing the broadest patriotic united front, and striving to strengthen socialist democracy and the socialist legal system;

—Persevering in making the development of social productive forces the basic task of socialism, working devotedly and single-mindedly to make modernization a success, and constantly raising the levels of the people's material and cultural lives;

—Constantly perfecting the socialist economic and political systems, as well as the management system in

other fields by carrying out reforms, and fully arousing the initiative, enthusiasm, and creativity of central and local authorities, enterprises, and the vast numbers of working people;

—Continuously opening wider to the outside world in many ways, such as developing foreign relations and trade, utilizing foreign capital and importing advanced technology, and by setting up special economic zones and open economic zones and implementing the necessary special policies and flexible measures;

—Upholding the ownership system founded on socialist public ownership and comprised of diverse economic sectors; bringing out the beneficial supplemental role of the individual, private, and other economic sectors in the public economy; and strengthening correct management and guidance of such economic sectors;

—Actively developing the planned commodity economy of socialism; integrating the planned economy with market regulation; and striving to promote sustained, stable, and coordinated development in the national economy;

—Implementing the distribution system founded on work-based distribution and supplemented by other distribution methods; allowing and supporting some people and localities to become prosperous ahead of others through honest labor and legitimate business operations; and encouraging those who have become prosperous ahead of others to help those who have not, so that the whole people and all localities gradually will achieve common prosperity;

—Constantly raising the ideological, moral, scientific, and cultural levels of the entire nation and building socialist spiritual civilization by adhering to the guidance of Marxism-Leninism-Mao Zedong Thought, inheriting and carrying forward the outstanding cultural heritage of the motherland, and drawing on and absorbing all outstanding cultural achievements in the world;

—Building up and developing socialist interethnic relations marked by equality, mutual assistance, unity, cooperation, and common prosperity; upholding and perfecting the system of autonomy for ethnic regions; and opposing ethnic discrimination, oppression, and separatism;

—Promoting the gradual realization of the grand cause of the motherland's reunification under the concept and practice of "one country, two systems";

—Adhering to an independent and peaceful foreign policy, developing friendly relations with all countries on the basis of the five principles of peaceful coexistence, opposing hegemonism and power politics, supporting the just struggle of oppressed nations, and people, safeguarding world peace, and promoting the progress of mankind;

—Uphold the CPC's leadership; constantly improve the party's leadership system, style, and methodology; and expedite the party's political, ideological, theoretical, and organizational development, so as to ensure that the party is always the strong leading nucleus of China's socialist cause.

We have adhered to this road since the Third Plenum of the 11th CPC Central Committee and, as a result, we have made achievements attracting worldwide attention. At times or under certain circumstances, however, we have gone astray from the above-mentioned principles, resulting in grave consequences. Since the Fourth Plenum of the 13th CPC Central Committee, under the party's central leadership which has Comrade Jiang Zemin at its nucleus, we have earnestly summed up our experience and lessons. We adhere to the correct, improve the inadequate, and correct mistakes, in a bid to ensure that the above-mentioned principles are further observed and expanded in our practice. As long as we persist in doing so, the second-step strategic goals for China's economic and social development will certainly be fulfilled.

5. Firmly carrying on reform and opening to the outside world is the key to implementing the party's various policies for developing socialism with Chinese characteristics. The four cardinal principles are the foundation upon which China was established, whereas reform and opening to the outside are the way to building China into a strong country. This is the fruit of the past 10 years' practice and experience and the fundamental conclusion that all ethnic peoples in the country have reached. In today's world, where science and technology advance rapidly and where economic and cultural exchanges increasingly expand, if we did not correct the malpractices in our current system or implement the open-door policy, we would not be able to fully bring out the superiority of the socialist system, nor could we stand invincible in the rapidly changing global arena of politics and in the fierce international economic competition. Ours are socialist reform and opening to the outside world, aimed at fostering the development of productive forces and the all-around progress of society, constantly consolidating and improving the socialist system, and at unceasingly enhancing the vitality of socialism. In short, we have to reform and open ourselves to the outside world, and our reform and opening to the outside world have to cling to the correct direction. In the next 10 years, based on this understanding, we shall further carry on the policy of reform and opening to the outside world in a more healthy way, and make it an even stronger driving force for economic and social development in China.

6. We must insist on sustained, steady, and harmonious development of the national economy and always focus all of our economic efforts on raising economic effectiveness. The principle of sustained, steady, and harmonious development is the profound conclusion drawn from both the positive and negative experiences of the past 41

years of economic construction. The principle also correctly reflects objective economic law. All party comrades must firmly bear this in mind at all times. They must not deviate from it at any time and must do their best to prevent big economic twists from recurring. To achieve this, we must insist on preserving a basic balance between aggregate social demand and aggregate social supply. In carrying out our economic construction and in organizing the people's life, we must act in accordance with our capabilities and in a down-to-earth manner, and guard against and overcome the desire for quick success. We must reasonably define and set priorities in the development of the national economy, ensuring that basic equilibrium is maintained within each of the financial, credit, materials, and foreign exchange segments of the country as well as among these segments. We must not only fully tap the potential of various resources to boost economic growth but also take steps to prevent the overdistribution of national income so as not to trigger another inflation. We must coordinate speed with effectiveness, stress the adjustment of industrial structure, and give top priority to scientific and technological advancement and to enhancing management, so as to constantly raise the quality of our economic growth.

7. We must adhere to the principle of independence, self-reliance, plain living, hard struggle, and of building the country through thrift and hard work. Being a large developing country in socialism, China must rely on its own strength to build its economy. We must make an organic coordination between the use of foreign capital and technology on the one hand and our economic development and the buildup of our self-reliant capability on the other, to facilitate the realization of strategic goals for social and economic development. China's modernization will take several generations of hard work. Adhering to the policy of building our country through thrift and hard work on a long-term basis, we must practice strict economy in an all-around manner, spare no effort to rid extravagant practices in all sectors, and thriftily carry out all undertakings.

8. It is necessary to firmly implement the principle of promoting both material civilization and socialist culture and ethics. The promotion of rich socialist culture and ethics is a fundamental task of building socialism with Chinese characteristics. Without socialist culture and ethics, there would be no guarantee of the orientation and motive force for socialist modernization. In the face of a complicated international situation and Herculean tasks in reform and development at home, it is all the more necessary for us to make great efforts to promote socialist culture and ethics, strengthen ideological and political work, struggle against bourgeois liberalization, and broaden and deepen education in patriotism, collectivism, and socialism. We must reenergize the national spirit, improve the general mood of society, and promote material civilization, socialist culture, and socialist ethics evenly so as to guarantee the healthy development of reform, opening to the outside world, and economic construction. Both central and local authorities should

incorporate the promotion of socialist culture and ethics into their development plans and gradually increase necessary input so that proper proportions are maintained when compared to increases in state input in promoting material civilization.

9. It is necessary to handle the relationship between centralization and decentralization well. After the Third Plenum of the 11th CPC Central Committee, we reformed the over-centralized system and unleashed enthusiasm from all quarters. As a result, we promoted the development of productive forces. We should fully reaffirm this. However, because of some inappropriate measures we took while we were transferring power to lower levels, and because of our poor overall management and some other reasons, there exists in some departments of our current economic life an overly decentralized phenomenon which must never be ignored. When a state has too little financial and material resources at its disposal, its overall readjustability and control weaken. This not only hampers the readjustment of industrial structures and increases in economic results but also affects the shaping up and development of the socialist centralized market. To solve this contradiction and question, we must proceed from realities; adopt appropriate policies, measures, steps, and methods; and solve the question by carrying out in-depth reform. We should pool the necessary financial and material resources and do work well, work which only the central authorities can do and with great bearing on the interests of the state as a whole. We need to do this not only to overcome current economic difficulties but also to develop the economy on a long-term basis. It not only facilitates the development of the economy throughout the entire country but also benefits productive forces and China's rational regional economic distribution. In a large country with a population of 1.1 billion people like ours, neither over-centralization nor over-decentralization is feasible. Only by appropriately integrating the necessary centralization with the proper decentralization and by giving full scope to the initiative of all departments can we display the superiority of the socialist system and push our modernization forward.

10. It is necessary to handle well the relationship between the improvement of the economic environment and the rectification of the economic order on the one hand and the economic development on the other. The policy of improving the economic environment and rectifying the economic order and carrying out in-depth reform, reaffirmed by the Third and Fifth Plenums of the 13th CPC Central Committee, is correct. After more than two years of efforts, we have achieved marked results in improving the economic environment and rectifying the economic order; total social demand and supply are growing in balance, inflation is under control; agriculture has seen rich harvests for two consecutive years; industrial production is turning upward step by step; and the economic order is being straightened out with initial successes. The improvement of the economic environment and the rectification of the economic order on the one hand and

carrying out in-depth reform on the other are in unison and promote each other. While we are improving the economic environment and rectifying the economic order, reform not only does not bog down but also is being continuously carried out and deepened. However, irrational structures in economic life, poor economic results, failing systems and relationships, and other contradictions accumulated for years, and problems in the deep structure await fundamental solutions. During the first year or a longer period of the Eighth Five-Year Plan, we must continue improving the economic environment, rectifying the economic order, and carrying out in-depth reform, all while developing and improving the economic environment and rectifying the economic order. After that, we must continue improving the economic environment and rectifying the economic order while developing and make still greater headway in readjusting industrial structure and carrying out in-depth economic structural reform. During the coming decade, particularly the Eighth Five-Year Plan, we must have our feet firmly planted on the existing foundation, build fewer new projects, tap more potential, strengthen technological transformation, strengthen economic management, and create still better conditions for long-range economic development. Along with the readjustment of structure and the deepening of reform, the environment of the economic development will further improve, and we can properly quicken the pace of our economic growth. However, we must at all times resolutely focus our activities on increased economic results.

II. Production Emphases and Regional Layout in Economic Development

11. Marked progress should be made in three aspects of economic construction in the next 10 years and during the "Eighth Five-Year" Plan period. 1) Vigorously readjust the production structure; step up the development of agriculture, basic industries, and infrastructure facilities; reorganize and transform the processing industry; constantly improve the production structure to make it more reasonable; and gradually accomplish modernization in order to meet the requirements of economic growth and changes in consumption patterns; 2) Use advanced technology and equipment to transform traditional industries and existing enterprises, expand reproduction mainly by tapping inherent potential, and expedite the process of industrialization and modernization; 3) Follow the principle of making optimal allocation and effective use of resources, correctly distribute productive forces, and actively promote the reasonable division of labor and the coordinated development of the regional economy, thereby facilitating the formation and development of a unified market throughout the nation. Therefore, it is necessary to set correct requirements and measures regarding the emphases and layout of economic development.

12. Vigorously strengthen and develop agriculture. Solving the problem of feeding 1.1 billion people is a matter of top priority. It is also the foundation for economic development, social stability, and national

independence. In the next 10 years, the emphasis will still be on guaranteeing steady increases in grain and cotton production and promoting all-round agricultural development. Grain production first should reach the 450-million-tonne mark and then the 500-million-tonne mark. We should increase production of cotton, oil-bearing, sugar, and other cash crops; make greater efforts in afforestation; further develop animal husbandry and fisheries; and increase production of meat, poultry, eggs, milk, fish, tea, fruit, and other produce; and continue to guide the development of village and town enterprises in rural areas along a healthy path in order to revitalize rural economy in all aspects.

13. Important measures for achieving the goal of agricultural development.

—Continue to deepen rural reform. An important achievement of rural reform is the implementation of the household contract responsibility system with remuneration linked to output and the establishment of a two-tier system that combines unified and decentralized management. This matches the present level of the productive forces in China's rural areas. It should be maintained as a fundamental system for a long period of time and should be perfected constantly. In deepening rural reform, the important things are to actively develop the socialized service network, to perfect and improve the two-tier system of combining unified and decentralized management, to combine the superiorities of collective management with the enthusiasm of peasant household operations, and gradually to increase collective economic strength.

—Increase investments and accomplish some great tasks in the construction of basic agricultural facilities. Irrigation is the lifeline of agriculture. Floods on the Changjiang and Huanghe still pose dangers to the Chinese nation. In the next 10 years we should step up efforts to harness the big rivers and lakes, and draw up plans for building large and medium-sized projects for flood prevention, as well as for water storage and diversion, so as to increase our ability to resist natural disasters. We should closely attend to the construction of the project of diverting water from the south to the north, so as to ease water shortages in the northern region. We should reinforce and perfect the existing irrigation projects, expand the irrigated acreage, and actively build steady- and high-yielding farmland that promises harvests despite drought and waterlogging. We should step up the comprehensive regional development of agriculture, and build a number of important bases at the state level for producing saleable farm products. We should transform medium- and low-yielding farmland in groups, gradually reclaim land suitable for farming, and transform and build grasslands. Forestry provides an ecological safeguard for stable, high-yield agriculture. We should step up the development of a network of fast-growing and high-yield timber forests, shelter forests, forests of economic value, and fuel forests so as to improve the

ecological environment. Central and local governments should increase their investment in agriculture, and should establish and improve the system of accumulation for the collective economy. Peasants are the subjects of agricultural investment. We should encourage and guide peasants to invest more funds, and especially more labor, in agriculture in order to fully exploit the advantage of our rich manpower in rural areas, and should constantly improve conditions for agricultural production. We should further develop industries in support of agriculture; strive to increase the supply of chemical fertilizer, farm chemicals, plastic sheet, and farm machinery; and increase their effectiveness. We should vigorously encourage the use of farm manure.

—Continue to invigorate agriculture by relying on science, technology and education. China has a huge population but little arable land. Future agricultural development should rely principally on increasing per-unit yield. This is largely determined by efforts to raise the scientific and cultural levels of the large numbers of peasants, promote the application of achievements in advanced science and technology in agriculture, and make more extensive and thorough use of resources. We should train more agricultural scientists and technicians, beef up research on new technology, establish and perfect the network for popularizing achievements in agricultural science and technology, actively cultivate fine-strain crops, expand acreage of fine-strain seeds, and propagate all effective farming systems and methods, as well as cultivation techniques. We should continue to implement the "Spark Plan," the "Harvest Plan," and the "Prairie Fire Plan." In the next 10 years, we should see to it that a greater proportion of the increase in agricultural production is attributed to the more widespread application of scientific and technological achievements than in the 1980's.

—Actively reform the system of farm produce circulation, and vigorously expedite the circulation of farm produce. We should attach importance to farm produce circulation as we do to agricultural production; mobilize the strength of all sectors to build more storage, transport, and processing facilities; gradually establish and perfect the two-tiered grain reserve system, namely, the state level on the one hand and the provincial, autonomous regional and municipal levels on the other; and develop the wholesale and futures markets for grain in a planned manner. We should implement the sales and purchase system and the pricing policy, which encourage the development of grain production, so that the major marketable grain producing regions and grain farmers will be more enthusiastic about growing grain.

—Helping people in poor areas shake off poverty and achieve prosperity is a long-term economic and political task of the party. Beginning in 1991, poor areas, after solving the problem of food and clothing for the majority of their people, should switch to the stage of

development through support for the poor, the main objective of which is shaking off poverty and achieving prosperity. They should strive to steadily solve the problem of food and clothing by the end of this century and enable most families to lead more comfortable lives.

—Effectively strengthen land management, make careful and reasonable use of the land, and gradually maintain the present area of arable land in order to have sufficient land to guarantee the development of agriculture and the national economy as a whole. We should vigorously protect forest resources, strictly enforce limits on tree felling, and sternly forbid indiscriminate logging.

14. Uphold the principle of "giving enthusiastic support, making reasonable plans, providing correct guidance, and strengthening management" in promoting the continued development of village and town enterprises along a healthy path. Village and town enterprises, as an important pillar of the rural economy and an important component of the national economy, are important to developing the rural commodity economy, increasing the peasants' incomes, and bringing prosperity to the countryside. We should guide village and town enterprises in further readjusting their structure, improving product quality, increasing economic efficiency, maintaining an appropriate growth rate, and coordinating their development with the development of the national economy as a whole. We should render different types of treatment and guidance to village and town enterprises in different localities in terms of direction and speed of development. We should give more support to village and town enterprises in areas which are fairly backward economically, while stressing high quality and efficiency for village and town enterprises in more economically developed areas. Agriculture and village and town enterprises should support each other and take measures suitable to the local situation to absorb surplus labor in rural areas by allowing peasants to double as workers so that they may remain in their rural homes although they no longer till the land. Village and town enterprises should adopt measures suitable to the local situation and actively develop industries that produce farm and sideline products, as well as building materials, that use local raw materials. They should develop mining only if they have reasonable plans for developing natural resources. They should exploit their advantages, namely their traditional skills and the fact that they are labor-intensive industries, and strive to develop products in support of the big industries as well as export products for earning foreign exchange.

15. Step up construction of basic industries and infrastructure facilities. This is a key point in economic construction in the next 10 years and the "Eighth Five-Year" Plan period. The stagnation of China's basic industries and infrastructure facilities has seriously restricted national economic development. We should adopt appropriate preferential policies; reduce the number of ordinary processing industries; strictly control the

building of luxury buildings; raise the necessary funds to boost the construction of projects in energy, transportation, communications, important raw and semifinished materials, irrigation, and other basic industries and infrastructure facilities. While filling gaps in existing enterprises and tapping their potential, we should make plans to build, rebuild, and expand some large and medium-sized power stations, coal mines, oil fields, trunk railway lines and highways, harbors, airports, trunk telecommunications lines and other key projects, as well as large and medium-sized projects in metallurgical and petrochemical industries, so as to build up greater power for sustained economic development. Water conservation is an important component of infrastructure. It is vital to agriculture as well as industrial development and the people's livelihood. Both central and local authorities should pay full attention to the construction of water conservation projects and attend to this work with real earnest in order to ensure success.

16. Vigorously develop the energy industry. The coal industry should speed up the construction of coal mines operating directly under the Ministry of Coal Industry, particularly the construction of energy bases in Shanxi, Shaanxi, western Inner Mongolia, and Ningxia, while at the same time promoting the consolidation, transformation, and upgrading of local and rural coal mines. Coal output should be raised from 1.09 billion tonnes in 1990 to about 1.23 billion tonnes in 1995 and around 1.4 billion tonnes in 2000. The power industry should make full use of our country's advantages to develop hydropower, actively develop pit head power plants and heat-generated power plants [re dian lian chan 3583 7193 5114 3934], and step up the construction of power grids, in accordance with the policy of taking such measures as are suitable to local conditions, constructing both hydro and thermal power plants, and duly developing nuclear power. Electricity output should be raised from 615 billion kwh in 1990 to about 810 billion kwh in 1995 and around 1,100 billion kwh in 2000. In accordance with the strategic policy of "stabilizing the eastern region and developing the western region," the oil industry should ensure that oil output in our eastern region will stabilize or increase. It should appropriately concentrate its efforts on stepping up exploration and development of new oil zones in the western region, primarily in the Tarim and Turpan areas. At the same time, it should actively carry out explorations for offshore oil. Crude oil output should be raised from 138 million tonnes in 1990 to 145 million tonnes in 1995 and much more in 2000. To speed the development of the energy industry, we should steadily increase energy investment by appropriately rationalizing energy prices, raising energy construction funds, and attracting and using foreign capital.

17. Develop communications and transportation, as well as posts and telecommunications, on a priority basis to keep up with the development of the national economy and the opening to the outside world. The communications and transportation industry should aim at developing a

comprehensive transportation system, emphasizing increases in railway capacity while at the same time actively making use of a variety of means of transportation, including highways, waterways, and airways. In railway construction, we should adopt advanced yet suitable technologies to transform old railway lines and to gradually electrify a number of important railway lines. At the same time, we should speed up the construction of coal shipping trunk lines, particularly transportation lanes in the energy bases of Shanxi, Shaanxi, and western Inner Mongolia, as well as the new south-north trunk lines and the trunk lines in the northwest and southwest regions. The volume of cargo transported by rail should be raised from 1.46 billion tonnes in 1990 to about 1.65 billion tonnes in 1995 and around 1.9 billion tonnes in 2000. In highway construction, emphasis should be on building major trunk state highways and appropriately building provincial, city, county, and township roads. In port construction, we should speed up construction of key harbors for energy, foreign trade, and passenger transportation and strive to increase cargo and passenger handling capacity of coastal ports. In waterway construction, emphasis should be on developing maritime transportation and constructing major lanes linking north and south in the coastal region and major Changjiang shipping lines. In civil aviation construction, emphasis should be on expanding, renovating, and constructing airports in major and remote cities, increasing their passenger and cargo handling capacities, and improving air transport capacity in major and auxiliary routes. In posts and telecommunications, we should step up long distance telephone automation, raise telephone possession rates, and gradually develop a convenient and rapid communications network. In developing communications and transportation as well as posts and telecommunications, we should bring into play the initiatives of all sectors. The state shall step up the construction of major backbone projects while local governments at all levels shall adopt a variety of methods in light of their local conditions to raise required funds to build local railways, highways, bridges, ports, and postal and telecommunications facilities.

18. Particular attention must be paid to readjusting the structure and improving the quality of raw and semi-finished industries in all fields. In the iron and steel industry, it is necessary to upgrade technology, lower the consumption of energy and raw and semi-finished materials, and increase output of products in short supply and high quality products through transforming and expanding existing enterprises. Raw material production capacity of mines should be increased to stop imbalances between various trades. Steel output shall be increased from 65.8 million tonnes in 1990 to around 72 million tonnes and over 80 million tonnes in 1995 and 2000 respectively. In the nonferrous metals industry, it is necessary to give priority to aluminum, especially alumina, and develop other nonferrous metals appropriately. In the chemical industry, it is necessary to concentrate efforts on developing chemical fertilizers, farm chemicals, and other products for agricultural use; and

actively develop industrial chemicals and fine chemical industrial products. Output of chemical fertilizers shall be increased from some 90 million tonnes in 1990 to around 100 and 120 million tonnes in 1995 and 2000 respectively. In the petrochemical industry producing mainly ethylene, efforts should be made to improve intensive processing and comprehensive utilization of crude oil for increasing the raw materials for synthetic fibers, synthetic resin, synthetic rubber, and various organic industrial chemicals and the products for agricultural use. Output of ethylene shall be increased from 1.5 million tonnes in 1990 to around 2.3 and 3 million tonnes in 1995 and 2000 respectively. In the building materials industry, great efforts should be made to develop high quality products and new types of materials, and to accelerate the innovation of wall body materials. In the forestry industry, it is necessary to actively assist key enterprises in increasing vitality and continuing to give play to the role of timber producing bases.

19. It is necessary to adhere to the principle of giving equal emphasis to development and conservation, and do everything possible to conserve energy, raw and semi-finished materials, water resources, and transport capacity. On the one hand, China is relatively short of resources, experiencing strains in energy, raw and semi-finished materials, hydraulic resources, and transport capacity, which impede economic development. On the other hand, the country's consumption of coal, electricity, and major raw and semi-finished materials per unit product is much higher than advanced world levels. Therefore, much remains to be done in conservation. All departments and localities should work out conservation plans for the next decade and the Eighth Five-Year Plan, adopt effective policies, including some compulsory measures, and increase necessary input for closely combining conservation with technological innovation and improved management of enterprises. They should also pay attention to comprehensive utilization of resources and utilization of reprocessed resources, so that marked results can be achieved in conserving energy, raw and semi-finished materials, water resources, and transport capacity, and a greater portion of the GNP growth in the 1990's can be made through tapping conservation potential and lowering consumption.

20. It is necessary to earnestly reinforce geological prospecting work so that it will develop harmoniously together with such basic industries as energy and raw and semi-finished materials and with the construction of infrastructure. Geological prospecting is indispensable to basic industries and construction of infrastructure in the early stage. Earnest efforts should be made to reinforce the work, which is relatively weak at present. It is necessary to accelerate the pace of geological prospecting so as to prepare mineral resources and geological information for realizing the second-step strategic objective and sustained economic growth early in the next century. It is also necessary to continue to reinforce basic geological work and increase the strength of geological work for

future development. Various sources of funds should be explored for increasing investment in geological prospecting.

21. It is necessary to place development of the electronics industry in a prominent position. The electronics industry is a pacesetter for the promotion of the modernization of China's industrial structure. In the next decade, it is necessary to create conditions for rapid growth, dissemination, and application of the electronics industry through distributing investment, developing technology, updating equipment, formulating industrial policies, and exercising organizational management. Efforts should be concentrated on developing electronic products with investment potential, with a focus on large-scale integrated circuits with computers as the main products. It is necessary to greatly accelerate the development of micro-electronics technology, computers and software, and sensors, and increase their universal application in the national economy. We should actively use electronics technology to bring innovation to traditional industry and promote the growth of new industries. We should also strive to develop such communications products as optical fibers, satellites, and microwaves, as well as electronic products for consumer use, so as to satisfy the needs of developing production and improving the people's livelihood.

22. The processing industry will be vigorously reorganized and transformed. At present, the processing industry is rather extended and loosely organized and has low technological and professional levels. Its potential is far from being exploited. In the next decade and during the "Eighth Five-Year Plan" period, development of the processing industry will focus on conducting reorganization and transformation on the basis of current foundations. It is necessary to adjust the product mix without delay; curtail the production of some oversupplied goods; and increase production of brand-name, quality, new, and special products to satisfy the demand of domestic and international markets. It is essential to actively adopt new technologies and techniques, expedite the renewal of old equipment, lower the consumption of energy and various materials, improve product quality and economic efficiency, continue to promote horizontal ties and coordination among specialized departments, and raise the entire processing industry to a new level.

23. The focus of developing the machine-building industry is on improving product quality and raising technological levels. Through reorganization, transformation, structural optimization, and the marshalling of forces to tackle key technological tasks, a new level of development should be sought in the machine-building industry to better satisfy the demands of various national economic departments for advanced technology and equipment. Efforts will be made to actively develop energy, transportation, communications, major raw and semi-finished materials, and complete sets of equipment and goods needed by agro-industry; to develop substitute products for imports; to raise the level of localizing

imported equipment; and to expand the export of machinery products. Weak sectors, such as basic machinery, basic components, and basic technology, will be strengthened, and the specialized production of basic parts and components will be improved. Efforts will be made to develop and promote new products, to eliminate old products, and to improve the equipment and economic efficiency of the entire national economy, while working to save energy, materials, and oil and water resources. The automobile industry occupies an important status in overall economic development. Comprehensive nationwide plans and rational arrangements should be made to promote its sound development.

24. The focus of developing light and textile industries is on speeding up technological progress, improving product quality, and developing new varieties.

—Vigorous efforts will be made to develop the production of raw materials for light and textile industries. In particular, the output of synthetic fiber, synthetic detergents, and papermaking raw materials will be increased, and a group of raw materials production bases will be built in a planned manner.

—New technology will be actively promoted, and attention will be focused on developing and transforming a number of basic products and leading export commodities. It is essential to renew the equipment of a number of backbone enterprises and key export enterprises, promote a number of advanced production techniques and technologies, and popularize a number of imported new technologies and equipment at the earliest possible date, in order to achieve new levels of quality and grade for our country's light industrial and textile products and to enhance their competitiveness in international markets.

—The production capacity and setup of light and textile industries will be adjusted in a step-by-step manner. Eastern coastal regions and large cities generally will no longer enhance their primary processing capabilities. They will concentrate on developing finely processed and technology-intensive products as well as manufactured goods for export. Roughly processed and labor-intensive products for domestic sale should be transferred to the hinterland and raw materials production bases in a step-by-step manner, in order to form a new rational system of distributing productive forces.

Yarn output should be increased from 24.5 million pieces in 1990 to about 27 million pieces in 1995 and some 31 million pieces in 2000, while the output of chemical fiber should be increased from 1.55 million tonnes in 1990 to about 2 million tonnes in 1995 and some 2.6 million tonnes in 2000. Sugar output should be raised from 5.2 million tonnes in 1990 to approximately 6.7 million tonnes in 1995.

25. It is necessary to actively develop building industry and strive to promote urban construction and rural construction. We should step up overall planning for urban and rural construction and steadily develop the construction of housing and public utility facilities. It is necessary to keep a rational scale and growth rate in urban housing construction and reform the housing system to properly accelerate the process of comprehensive real estate development and commercialization of housing. It is necessary to develop necessary commercial network and spots, as well as educational, medical, cultural and sports facilities, and to build more public utility facilities according to the needs of urban housing development. In rural housing construction, it is necessary to make rational planning, use land in an economical way, and build public utility facilities according to local conditions. It is necessary to keep the size of large cities under strict control, rationally develop medium and small cities, and build, on the basis of rural enterprises, a number of rationally located new townships and towns that have adequate transport facilities and possess local salient features.

26. It is necessary to attach importance to the development of the tertiary industry. Developing tertiary industry is an important means of alleviating the pressure of unemployment, accumulating more capital funds, and invigorating urban and rural economies. It is also an important step in meeting consumption pattern changes, promoting the modernization of industrial structures, and improving overall economic efficiency and quality of the people's life. With incomplete trades and low level of service, China's tertiary industry is comparatively backward, with its proportion in the GNP much lower than that of developed countries and also below the average of developing countries. In the next 10 years, the tertiary industry should put the stress of its work on developing trades which serve production and livelihood, fully arousing enthusiasm among all economic sectors and all quarters, and improving market environment and rules. Efforts should be made to readjust the internal structure of the tertiary industry and accelerate the development of those trades that are comparatively backward and urgently need development at present. The growth rate of the tertiary industry should be higher than the growth rates of the primary and secondary industries. The output value of the tertiary industry, which accounts for about one-quarter of the GNP now, should be raised to about one-third of the GNP by the year 2000.

27. It is necessary to promote a rational division of work and coordinated development in regional economy. Since we began reform and opening to the outside world, an unprecedented development has been made in regional economy, and regional economic strength has been remarkably boosted. Major problems in regional economy are too many repetitive construction projects, similar industrial structures, irrational distribution of resources, and serious regional separations and blockades, making it difficult to take advantage of comparison and obstructing the formation of a unified national

market. In regional economic development and productive force distribution in the next 10 years, we should seriously adhere to the following principles:

—It is necessary to make overall plans and effect a rational division of work. We should take the whole country into account and regard the whole country as a unified market, proceed from improving overall national economic efficiency, and take provinces, autonomous regions, and municipalities as the basis. We should treat lateral cooperation between provinces, autonomous regions, and municipalities as a supplement, promote a rational division of work in a regional economy, and create an economic system conducive to giving play to regional salient features and regional cooperation. We should integrate the unity of the national economy with the salient features of regional economy and gradually ensure rational use and optimum distribution of resources across the country. In economic development and economic cooperation with other provinces, autonomous regions, and municipalities, each province, autonomous region, or municipality should take advantage of its own strong points; it is unnecessary and impossible for any of them to set up its own complete economic system.

—It is necessary to supplement each other's advantages and develop in coordination. Because of unevenness in regional economic development, different industries in various regions get quite different economic returns from their investment. We should practice special industrial policies and special regional policies at the same time in accordance with the industrial policies of the state. The basis for practicing special policies in a region should be the superiority of the region in certain resources or industries and its contribution to overall economic specialization. Special policies should be practiced appropriately to prevent sharp differences in income between different regions from causing new economic and social problems. It is necessary to handle correctly and coordinate relations between regions with resources and regions with processing industries. In view of their characteristics of comparatively higher economic and technological level and shortages in natural resources, coastal regions should devote themselves to the development of high-tech, precision, advanced and new industries of higher technological level, as well as export products. They should gradually move the industries that consume a large amount of energy and require a large transport capacity to inland regions where there are ample energy sources and natural resources. The regions with processing industries and the regions with resources may cooperate with each other for mutual benefit and combine their strong points to develop themselves together.

—The economically more developed coastal provinces and cities should respectively sign agreements or contracts with one or two provinces and cities in the hinterland which are fairly backward economically,

and help speed up the latter's economic development by means of experience sharing, technical transfer, talent exchange, and financial and material support.

—Strengthen macroscopic readjustment and control and improve the readjustment and control mechanism. Further define financial and administrative powers of governments at all levels, so that the policy of developing the regional economy is established on standardized rules and regulations. Different approaches should be used in managing and guiding different localities and industries in light of their developmental characteristics. Effective measures should be taken to break regional barriers and blockades and to promote the formation and development of a unified market throughout the country.

28. Actively support economic development in minority areas. China is a unified multinational country. Minority areas that enjoy autonomy are vast in area and have rich resources and great potential for development. Speeding up economic and cultural development in these areas is important to consolidating border defense, enhancing unity among nationalities, safeguarding social stability and national unification, and promoting economic development throughout the country. We should fully exploit the advantages of minority areas, take proper measures to develop resources while promoting social and economic development in these areas, and gradually change their relatively backward outlook to help them keep up with economic development in other parts of China. We should continue to implement the policy of supporting development in minority areas together with the old revolutionary base areas, border regions, and other poor areas and help poor people in these areas shake off poverty and achieve prosperity. The state and economically more developed areas should render financial, material, manpower, and technical support to these areas and adopt effective measures to increase their inherent energy in developing their economies.

29. Step up efforts to modernize national defense, and guarantee a safe and stable environment for the whole country and economic development. In the next 10 years, under the complicated and changing international situation, in order to cope with the probable and unexpected events and safeguard national security and economic development, it is imperative to further step up efforts to modernize national defense. As we grow in economic strength and national power, we should make appropriate increases in defense spending; boost the development of selected new weapons and armaments; and enable our Army, weapons, and armaments to reach a higher level of modernization. We should continue to readjust the defense industry structure; implement the principle of "combining military and civilian strength, integrating wartime and peacetime needs, giving priority to military items, and maintaining the Army by producing civilian goods"; improve unified planning and coordination needed to switch the defense industry's production to civilian goods; and enhance the ability to alternate between peacetime and wartime operations.

III. The Tasks and Policy for Developing Science, Technology, Education, and Culture

30. Development of science and technology should continue to implement the basic principle that "economic construction should be dependent on science and technology, scientific and technological work should be geared toward economic construction." In doing scientific and technological work at the three levels which constitute the major battleground for economic construction, namely, research in high technology, development of high and new technology industry, and basic research, we should adopt a better unified plan, make reasonable allocation of forces, develop an extensive and intensive network, and promote the all-around development of science and technology in China. Scientific and technological achievements should swiftly turn into productive forces in reality, to fully demonstrate the power of science and technology as the first productive force, and enable it to make greater contributions to economic and social development. In the next 10 years, according to China's actual needs and the requirements laid down in the "State Program for Long- and Medium-Range Development of Science and Technology," we should strive to approach or achieve advanced world levels in some fields so as to lay the groundwork for the economic, scientific, and technological revitalization of China in the 21st century. **31. The principal tasks in the development of science and technology in the coming 10 years are:**

- Draw up a plan to tackle key problems in science and technology and give guarantees in science and technology while focusing on the solution to questions of modernization of techniques and equipment for industrial and agricultural production, particularly major problems in agriculture, water conservation, energy resources, traffic, communications, raw and semi-finished materials, multipurpose utilization of resources, population control, ecological environmental protection and the construction of national defense.
- Strengthen applied research, disseminate over a large area basic scientific and technological achievements that are cheaper and produce quick and large economic results, transform technology and innovate equipment in enterprises, readjust the industrial structure and raise the technical standard.
- Actively follow the tracks of the process of new technological revolution in the world and strive hard to make new achievements in science and technology in the high-tech spheres of biological engineering, electronic information technology, robotic technology, new material, new energy resources, aeronautics and astronautics, marine engineering, laser, superconductor and communications. Continuously carry out the "Torch" plan, run the new high-tech development zones well, commercialize and industrialize the new high-tech achievements, and speed up the expansion and infiltration in conventional products and increase productivity by large margins.

—Continuously strengthen basic research and build up our capacity for sustained scientific and technological development. Strive to build more key laboratories and specialized laboratories and let more people use them as many times as possible. Further strengthen and improve scientific research in specialized scientific research organizations, institutes of higher learning, and large enterprises and encourage them to maintain close ties and cooperate with one another. Strengthen close ties between the natural sciences and the social sciences and pay attention to the development of new branches of science and marginal science [bian yuan ke xue 6708 4878 4430 1331].

32. Continue to deepen scientific and technological structural reform. Build invigorated and efficient scientific research through reform. The new mechanism of importation of technology, innovation, dissemination, and application combining and promoting each other should be made to meet the need of economic development. Stabilize and improve policies that promote progress of science and technology and speed up formulating relevant laws and regulations. Central and local authorities and enterprises should all adopt effective measures to increase input in science and technology, bring the role of key academies of sciences into full play, and strengthen the building of scientific research units and the training of scientists and technicians. **33. We must strengthen the study of social sciences.** We must adhere to the guidance of Marxism and encourage the study of major theoretical and practical issues concerning the development of socialism with Chinese characteristics, in particular, the study of major issues in connection with the economic and social development and reform and opening to the outside world in the 1990's, so as to facilitate the development of socialist material and spiritual civilization. We must strengthen the study and propagation of basic Marxist theories, continue to dispel the harmful effects of the ideological trend of bourgeois liberalization, and clarify the ideological and theoretical rights and wrongs. We must uphold the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," encourage discussions of different academic viewpoints, and promote the flourishing and development of various social sciences. We must formulate and strengthen research plans of social sciences and stress the training and improvement of social scientists. Social scientists must carry forward the fine academic tradition of integrating theory with practice and constantly improve their ideological and professional levels.

34. Promoting educational undertakings and raising the quality of the whole nation are the fundamental master plan for developing socialism. To build a strong country and vitalize a nation must rely on qualified personnel; qualified personnel are cultivated through education. We must continue to implement the policy that calls for education to serve socialist modernization and to integrate with productive labor, and that calls for cultivating builders and successors who are well developed morally, intellectually, and physically. We must further clarify the

guiding ideology for running schools, give top priority to enforcing correct political orientation, and raise the ideological, political, and professional quality of both educators and the educated. The central government as well as local governments at all levels must gradually increase their education spending and continue to perfect the system of raising educational funds through multiple channels. We must further our educational reform, adjust and refine the educational structure, raise educational quality and the effectiveness of running schools, improve teachers' quality, and establish a socialist educational system that has Chinese characteristics and leads to the 21st century.

35. We must strengthen elementary education. During the "Eighth Five-Year Plan" period, compulsory primary education will be implemented where roughly 80 percent of the population live, and compulsory junior secondary education will prevail where more than 30 percent of the population live. Moreover, we must strive to achieve by the end of this century a situation in which compulsory primary education will basically prevail throughout the country, compulsory junior secondary education will basically prevail in urban areas as well as economically developed rural areas, and senior secondary education will be made available in large cities on a trial basis. We also must pay attention to promoting education in ethnic minority areas, with an emphasis on primary education. In remote mountainous and pastoral areas, we must adopt supportive policies to help implement compulsory primary and junior secondary education. We must continue to heed the development of preschool education as well as special education for the handicapped and mentally retarded children.

36. We must promote vocational education. In the next 10 years, we must strive to achieve a faster growth in various types of vocational education. We must make overall planning for general senior high schools, polytechnic schools, vocational senior high schools, and technical schools; adjust curricula; and improve teaching quality. The percentage of students of various secondary vocational schools in the high school student body will be raised from the current 45 to more than 50 by 1995. Meanwhile, we must promote various forms of short-term technical training. We must strive to accomplish by the end of this century that the majority of the new rural work force will receive vocational education or training of some kind and that the new workers in enterprises will have pre-entry education and on-the-job training. We must strengthen ideological, political, and professional ethics education among workers, and raise workers' socialist consciousness and moral standards. **37. It is necessary to make rational adjustments of higher education in accordance with the practical needs of society and to greatly improve quality.** During the "Eighth Five-Year Plan" period, the present scale of graduate and undergraduate education will be basically maintained, while efforts will be made to enrich and strengthen such education. Doctoral education will be developed appropriately, if necessary and possible. Attention will be

focused on adjusting ordinary institutions of higher learning, and the setup and specialized structure of higher education will be optimized. Efforts will be made to improve teaching quality and the efficiency of running schools. A number of key disciplines will be instituted in institutions of higher learning. The training of doctoral candidates basically will be conducted at home. Efforts will be made to continue reforms of the systems of admission and assignment of graduates, to improve the system of allocating funds for education, and to strengthen the formulation of education laws and regulations. Efforts to perfect the policy of sending students abroad for study will be continued, and further development of international educational exchanges and cooperation will be promoted.

38. Adult education will be actively developed. It is necessary to persist in pursuing various forms and channels of running schools, to vigorously develop on-the-job training, to constantly raise the technological and professional levels of the ranks of enterprise workers and staff members, and to improve the ability of the vast numbers of peasants to use new agrotechniques. While screening of formal higher education for adults continues, efforts will be made to ensure success in higher adult education and to effectively improve educational quality. It is imperative to attach great importance to eliminating illiteracy and to strive for basically wiping out illiteracy among young and middle-aged people throughout the country by the year 2000.

39. Implementation of the principle of serving the people and socialism will be upheld, and cultural endeavors will be further enlivened. Various cultural endeavors, such as newspapers, radio, television, literature, and art, play an important role in socialist modernization. Press units should actively propagate the party's line, principles, and policies, and provide correct guidance for public opinion. Publishing departments should resolutely put a premium on social benefits and strive to publish more outstanding reading materials. Outstanding national culture will be promoted, and creative activities in literature and art, such as literature, television, movies, music, dances, the fine arts, drama, and folk arts, will be further developed. Construction of cultural establishments will be strengthened, and the people's cultural needs will be satisfied. Further efforts will be made to do a good job in running various types of cultural establishments, such as libraries, culture centers, art galleries, museums, science and technology centers, and culture stations. Guidance and management of cultural markets, including those of books, publications, and audio and video equipment, will be strengthened. Efforts to "eliminate pornography" will be continued in an in-depth manner, and utilization and management of archives and memorial halls will be strengthened. Active efforts will be made to develop academic and cultural exchanges with foreign countries, while attention will be paid to preventing the infiltration of decadent ideology and culture. The number of areas receiving radio and television programming throughout the country will be vigorously increased, and program

contents and quality will be enriched and improved. Mass sports activities will be actively developed to improve the people's constitutions and raise the levels of athletic meets. Protection and management of cultural relics, especially major cultural relics, will be further strengthened, and severe attacks will be launched against criminal activities involving the theft and smuggling of cultural relics. Economic policies that promote the development of cultural endeavors will be conscientiously studied and formulated, and the necessary material support will be provided for enlivening socialist culture. **40. It is necessary to further harness the enthusiasm of intellectuals at large and encourage a fine prevailing practice of respecting knowledge and talented people in the whole society.** We should gradually perfect policies and systems, which can help capable people display their talent and protect intellectual property rights, so as to make the best use of human resources and give play to the important role of intellectuals in the socialist modernization drive. Along with economic development in the next decade, we should strive for substantial improvement in the working and living conditions of intellectuals. Party and government leading cadres at all levels should make friends with as many intellectuals as possible and listen attentively to their opinions. We should encourage intellectuals, especially young intellectuals, to go deep into the realities to come into contact with workers and peasants and to understand national conditions so as to make still greater contributions to socialist modernization.

IV. Raising the People's Living Standards and Improving the Social Security System

41. To gradually improve the people's living standard to a relatively comfortable life is a major target of economic development in the 1990's. The so-called state having a relatively comfortable life means that, on the basis of having enough to eat and wear, the quality of life is further improved with ample food and clothing. This requires not only improvement in material life but also enrichment of spiritual life, and includes not only a increase in the consumption level of individual residents but also improvement in social welfare and working environments. Solving the problem of providing basic needs is an important stage in China's economic development, and going from the state of having enough to eat and wear to one of a fairly comfortable life is another important development stage. Because economic development in China is rather uneven, the state of a fairly comfortable life will be gradually realized at different times in different regions throughout the country. In 2000, the living standard of the few regions having already achieved the state of a fairly comfortable life will be further improved; the majority of regions having basically solved the problem of providing enough to eat and wear will gradually reach the state of a fairly comfortable life; and the small number of regions having not yet solved the problem of finding enough to eat and wear will advance toward the state of a relatively comfortable life on the basis of having enough to eat and

wear. There are different requirements for different regions during the Eighth Five-Year Plan.

42. It is necessary to conscientiously implement varied forms of distribution, with to each according to his work as the main form. We should continue to implement the policy of allowing and encouraging a portion of the people and areas to become rich first through honest labor and lawful business operation. Egalitarianism in wages should be overcome while big gaps in incomes other than wages should be eliminated. Legal income should be protected; excessively high income should be regulated through tax, including the individual income regulatory tax, inheritance tax, and bequest tax; and illegal incomes must be prohibited according to the law. It is necessary to correctly handle the relationship between accumulation and consumption so that increases in total wages will not be greater than the growth of national income, and the rise of actual average wage will not exceed the increase of labor productivity. Increases in peasants' incomes should derive mainly from development of the rural economy. It is necessary to keep up the good practice of thrift and actively encourage savings among residents.

43. The consumption pattern should be readjusted, and reasonable guidance should be given to consumption. In line with the level of development of our productive force and the people's consumption demand, efforts should be made step by step to improve the quality and composition of diet and increase the consumption quantities of meat, eggs, milk, aquatic products, and fruits. We should further develop commerce and service trade, expand the area of work that serves the people's daily needs, and raise the percentage of non-commodity expenditure in the living expenses of both urban and rural residents. More efforts should be devoted to the construction of public utilities, including water supplies, sewer systems, electricity and heat supplies, coal gas, roads, communications, and telephones, to provide convenience to the people in their daily life. It is necessary to mobilize the forces of all quarters to speed up housing construction and develop the interior decoration trade to further improve the dwelling condition of urban and rural residents. The dwelling environment in rural areas should be improved in a planned and step-by-step way. Rural housing construction projects should be reasonably located, and every effort should be made to avoid using farmland if at all possible.

44. Environmental protection is one of our basic national policies. It is also an important aspect of our effort to improve the people's quality of life. Efforts should be geared up to monitor, prevent, and control such public hazards as air, water, and soil pollution, solid wastes, and noise. In particular, it is imperative to protect the quality of water in rivers, lakes, and reservoirs and the quality of underground water, protect forests, check the trend of deterioration of our natural ecological environment, and improve the environmental quality. Positive efforts should be made to plant trees and build forests to make our surroundings greener and thereby create a

clean and beautiful living environment for the people. We should energetically control environmental contamination, make clear the areas of responsibilities for environmental protection, and carry out the principle of synchronous planning, implementation, and development of economic construction, urban and rural construction, and environmental construction. The work of environmental protection should be in line with national economic and social development.

45. Active efforts should be made to solve the labor employment question in both urban and rural areas. Rational development and exploitation of our country's abundant human resources is a necessary condition for developing the national economy and ensuring social stability. It is necessary to strive to open new avenues of employment and increase job opportunities in both the urban and rural areas and to give full play to the role of the collective and other economic sectors in providing employment in cities and towns. All-out efforts should be made to conduct professional training and reform the employment system. In addition, we should energetically guide the surplus rural labor force to promote production in depth and in breadth, conduct intensive and meticulous farming, carry out diversified operations, strive to plant trees and build forests, gear up agricultural capital construction, and develop village and town enterprises. The scale and speed of the gradual transfer of labor force to cities and towns should be compatible with our economic development and with the capacity of cities and towns to accept such a labor force.

46. Insurance systems for the aged and for the unemployed should be established and perfected, while the social security system should be improved step by step. This is a significant sign of modern society as well as a major measure to spur on the enterprise reform, cope with the aging of the population, and promote the practice of family planning. In accordance with the principle that the state, collectives, and individuals share the cost in a rational way, a social insurance system for the aged should be established step by step among staff members and workers of all categories in cities and towns. We should also enlarge the scope of insurance for people waiting for jobs, and put into practice a multi-level social insurance program. In the countryside, it will be necessary to gradually establish different forms of insurance systems for the aged by applying the principle of active guidance. At the same time, we should reform the medical care and labor injury insurance systems, further improve the social welfare system, and make an earnest effort to do well in giving special care to disabled soldiers and families of revolutionary martyrs and servicemen and in conducting social relief work. It is necessary to mobilize the social force on a wide scale to actively develop the work of aid to the poor. In addition, continued efforts should be made to promote the work of self-assistance by engaging in production and to provide jobs as a form of relief.

47. It is necessary to practice family planning and strictly control population growth. The population question is a

major issue related to our economic and social development as a whole. Firmly controlling the accelerated growth of the population is extremely important to our socialist modernization program and to the improvement of our people's living standards and the quality of the Chinese nation as a whole. Therefore, it is imperative to unremittently practice family planning, which is a fundamental national policy, and to enhance the population consciousness of the whole party and people throughout the country. We should truly strengthen our leadership over this work, manage it according to law, accelerate the establishment of the family planning networks covering counties, townships, and villages, and advocate late marriage, late bearing of babies, and bearing few but good children. We should see to it that our current family planning policy and measures are carried out in every grass-roots unit. In the next 10 years, we should try to keep the average natural population growth rate within 1.25 percent per annum.

48. It is necessary to develop public health and health-care work to raise the level of the people's health. Regarding public health work, we should implement the principle of putting emphasis on prevention of diseases, relying on the progress of science and technology, mobilizing society to join the work, and developing both traditional Chinese therapies and Western medicine in a harmonious way to serve the purpose of ensuring the people's health. More input should be made through various channels to public health work. It is necessary to improve medical conditions, raise the quality of medical service, and rectify order in the medical field in a planned way with emphasis on certain aspects. Real efforts should be made to strengthen the construction of public health organizations in the countryside and to consolidate and develop the three-level medical and public health networks. It is necessary to promote the development of disease-prevention and health-care work and to strengthen mother and child care in a step-by-step manner. More efforts should be devoted to the work of hygienic supervision and to the prevention and control of those diseases that are seriously harmful to health, including contagious, endemic, and occupational diseases.

V. The Direction, Tasks, and Measures of Deepening the Reform of the Economic Structure

49. We should initially establish a new economic structure in the coming decade. Reform is the process by which the socialist system improves and develops itself. In a general sense, the socialist system, from its birth to the stage of relative maturity, inevitably requires the readjustment and reform of the relations of production and the superstructure in order to suit the development of productive forces. This is especially true at the initial stage of socialism. The economic structural reform we are carrying out at present is aimed at eliminating the drawbacks of the economic structure previously formed under certain historical conditions and at building a new initial structure of the socialist planned commodity economy. This is a realistic task to be continued and

completed in the next 10 years. Whether the 10-year program and the Eighth Five-Year Plan can be smoothly realized depends to a very great extent on whether we can achieve success in reforming our economic structure as expected.

50. It is the basic direction of deepening economic restructuring to set up an economic operating mechanism that combines the planned economy with market regulation in line with the requirements for developing a socialist planned commodity economy. To combine the planned economy with market regulation, further efforts should be exerted to make clear and grasp the following points:

1) Overall, the planned economy can maintain a proportionate development of the national economy and a rational disposition of resources, while market regulation can play the role of keeping the superior and eliminating the inferior and add vigor to economic development. The purpose of combining them is to bring into play the advantages and strong points of both to promote a sustained, stable, and harmonious development of the national economy. 2) The planned economy is not limited to mandatory plans. Both mandatory and guidance plans are concrete forms in operating the planned economy. With the deepening of economic restructuring, the improvement of the economic structure, and the constant development of the market, further efforts should be made to properly reduce the coverage of mandatory plans, appropriately expand that of guidance plans, and give greater scope to the role of market mechanism. In exercising planned management, we must self-consciously comply with the law of proportionate economic development and the law of value and take into account the market supply and demand. Market regulation must play its role under the framework of the state's overall plans, laws, and regulations. 3) Generally speaking, for the control of aggregate supply and demand, readjustment of the economic structure and layout, and other major economic activities affecting the overall situation, it is mainly necessary to give play to the role of plans. As for such economic activities as routine production and operation of enterprises, ordinary technological transformation, and small-scale construction, regulation should be exercised mainly by the market. 4) The principal tasks of the state in economic management are to work out rational plans, programs, and macrocontrol targets for national economic development, formulate correct industrial, regional, and other economic policies, do a good job of overall balance, adjust the ratios between major economic activities, and guide, regulate, and control economic operations by employing economic, legal, and administrative means in a comprehensive and dovetailing manner.

51. The main tasks in deepening the reform of the economic structure are as follows:

—To persist in an ownership structure embracing diverse economic sectors with public ownership as the main body to form an ownership structure that suits the present level of our country's productive forces.

—To establish a vigorous management system, operating mechanism, and self-control mechanism for state-owned enterprises and explore diversified ways for the effective materialization of the public sector of the economy.

—To strengthen the construction of the market system and the market organizations and gradually establish a unified national market system under the guidance and administration of the government.

—To gradually smooth out the relations of distribution among the state, collectives, and individuals and straighten out the relations between the central and local authorities, and form a rational pattern of distribution of interests.

—To establish and improve the economic regulating and control system at the central level and at the provincial, autonomous regional, and municipal level, which combines direct with indirect regulation and control.

In order to accomplish these tasks, it is necessary to make efforts to do well in a coordinated and dovetailed manner the structural reform in the fields of enterprises, circulation, prices, finance, taxation, banking, planning, investment and wages, and to strengthen the building of an overall regulating and control system.

52. It is necessary to continue our efforts to strengthen the vitality of enterprises, especially state-run large and medium-size enterprises. This is a central link in deepening reform of the economic structure.

Large and medium-size enterprises are the important mainstay in our country's modernization as well as the principal source of state revenues. We must strive to improve the outside environment of enterprises, further develop the party organization's role as the political core in enterprises, keep to and perfect the system of having the plant director assume full responsibility, wholeheartedly rely on the working class, invigorate large and medium-size enterprises, and give full play to their backbone role. These efforts have a particularly important significance in promoting the development of the national economy and the consolidation of the socialist system in our country. We must further implement laws, regulations, and policies that have been issued to invigorate enterprises, and continue to adopt various effective measures to strengthen enterprises' vitality and improve their restraining mechanism while taking the interests of both the state and enterprises into consideration.

—It is necessary to improve and further develop enterprises' contract responsibility system in their operation. During the "Eighth Five-Year Plan" period, we should continue to stabilize and improve the current contracting methods. When contracts are to be renewed, we should reasonably adjust the base figures of contracts and the proportion of profits to be delivered to the state, and implement a contract system with composite targets. We should insure the integrity

of state assets and their added value, and gradually develop the role of competitive and risk mechanism of contracts. It is necessary to continue trial operation of "separation of profits and taxes, repayment of debts after paying taxes to the state, and signing contracts after paying taxes" at selected units. We should accumulate experiences and gradually proceed and implement those systems by stages according to actual conditions and different situations of various enterprises.

—It is necessary to adhere to the principle of separating the role of the government and the enterprise and the appropriate separation of the right of ownership and the right of operation, and gradually turn the overwhelming majority of state-run enterprises into socialist commodity producers and operators which assume sole responsibility for profits and losses with genuine independent management.

—It is necessary to gradually improve the depreciation and profit retaining system of enterprises, systematically reestimate the value of fixed assets, and appropriately raise the rate of depreciation to speed up enterprises' technological transformation and their development of new products.

—It is necessary to actually reduce the burden of enterprises and forbid wanton collection of fees from enterprises in addition to taxes and fees set by laws and regulations.

—It is necessary to actively develop enterprise groups; formulate concrete policies and measures to promote the reorganization, association, or merger of enterprises; promote the rationalization of enterprises' structure; and organize a number of intertrade and transregional enterprise groups with a competitive nature in a planned manner.

—To reform the structure of leadership in enterprises and the mechanisms of operation, and strengthen business management. To improve the personnel, labor and wage, profit retention and distribution, finance and accounting, and audit systems within enterprises. To change the situation of eating from the same big pot and lax discipline.

—To continue with pilot reform projects such as leasing and joint stock systems.

—To tighten control over state assets. To carry out the screening of assets in a planned way nationwide in order to resolve the problems of ambiguity of state assets, confused administration, idling and wastage of assets, and the occupation and loss of assets. On this basis, to gradually establish the systems and methods, compatible with the socialist planned commodity economy, for administering state assets.

—To continue to perfect the overall rationing system in the petroleum, petrochemical, coal, steel, nonferrous, railway, and other departments during the Eighth Five-Year Plan.

53. To establish and perfect the nationwide centralized market structure. To further perfect the consumer goods market; to expand the capital goods market; and to develop the capital, technological, information, realty, and labor markets. All localities, urban, and rural areas should open up to each other, and eliminate all kinds of barriers, local blockades, and market partitions. To advocate and promote economic union and cooperation that is mutually beneficial, spreads out risks, and complements each other's shortcomings. To further deepen reform of the commercial and materials systems, and to actively develop various forms of transactions, particularly general or specialized organizations and commercial groups spanning across regions, with the aim of building a commodity circulation structure that is efficient and unimpeded and can be regulated. To fully exercise the role of state-run materials and commercial enterprises as the main channels and reserves, and to let collectives and individuals play a greater role in commerce. To expand the market network, improve the facilities for circulation, and perfect the system for stockpiling goods. To strengthen market management and efforts to build the system, to establish the rules and regulations for competition in the market, to oppose improper competition, and to perfect market order.

54. To actively and safely press ahead with price reform. The aim is to establish and perfect the mechanism for setting prices at reasonable levels and the structure for managing prices, and to gradually put under state control the price of a small number of important commodities and services affecting national welfare and the people's livelihood. The prices of other common commodities and services will be determined through market mechanisms. During the Eighth Five-Year Plan, we must further reduce the scope by which prices are fixed by the state, and expand the portion covered by market mechanisms. The key areas of price reform are: To adjust the price of important capital goods; to raise the procurement price for grain to a proper level in order to gradually correct the situation of selling below or lower than the procurement price; and to gradually relax control over prices of ordinary processed products in which supply and demand are generally even, of commodities and durable goods in which supply and demand are quite flexible, and of other nondaily necessities. To gradually abolish the dual-price system for capital goods by distinguishing the specific conditions of different products. The prices of some commodities must gradually be brought in line with those on the international market. To carry out price reform, we must uphold the following principles: First, we must adopt a positive attitude; move cautiously; select the right moment; and control the range of price hikes within a level the people, enterprises, and state can withstand. Second, we must impose strict control over social demand and maintain a

general balance between total social supply and demand in order to create a favorable economic and social environment for price reform. Third, while adjusting the prices of basic products, we must adopt measures to let enterprises absorb some of the price increases in order to prevent the price of all commodities rising at the same rate, and reverting to their irrational comparative price. Fourth, we must solve the problem of selling nonstaple farm produce below the procurement price and adjust the prices of consumer goods to ensure that the actual incomes of urban and rural inhabitants do not fall. Fifth, to gradually reduce subsidies by the state during price adjustment and reform.

55. To reform the financial revenue structure, and to establish a stable and standardized financial revenue system. The present system of localities assuming responsibilities for their own finance has motivated them to take care of themselves in this respect. Some malpractices have appeared. The direction during reform is to implement the tax-sharing system in which the affairs and power of central and local authorities are clearly demarcated. During the Eighth Five-Year Plan, we must continue to stabilize and perfect the system of localities assuming responsibilities for their own finance, and experiment with the tax-sharing system. We must pool our financial resources appropriately to undertake certain projects related to the overall interests of the national economy that the state has to carry out because the localities have difficulties tackling them on their own. We must appropriately raise the proportion of financial revenue in the GNP and the central authorities' percentage in financial revenue as a whole. The state budget must implement a multiple budgetary system and separate the regular budget from that of construction. We must insist that there be no deficit but a small surplus in the regular budget, and strengthen budgetary restraints. The deficit in the construction budget may be covered by bonds or overseas borrowing, but we must maintain a rational scale and structure for debts. We must gradually straighten out the structure of the tax system, step up revenue collection, strictly enforce tax laws, and fully exercise the functions of tax collection in raising financial revenue and in macroeconomic regulation and control.

56. Give proper play to the role of the banks and deepen the reform of the banking structure. It is necessary to further strengthen the functions of the central bank in macroeconomic regulation and control, to control the issue of currency and the general scale of credit, to grasp the direction of credit and funds according to state industrial policy, and to effectively use such financial means as interest rates, reserve funds, granting of another loan, and exchange rates to promote the overall balancing of the national economy and structural readjustment and to prevent inflation. Efforts should be made to improve the vertical leadership system of the central bank and to strengthen its leadership and control over the specialized banks. The specialized banks mainly implement state industrial policy and exercise the functions of economic regulation and control; at the same

time, they manage themselves as an enterprise, take risks, and are responsible for their own profits and losses. It is essential to continuously encourage saving by residents, to open housing savings accounts, and to provide housing credit. We should increase the issuing of bonds and stocks and strictly strengthen their control. We should develop the financial market, encourage the circulation of funds, establish and improve security exchange in big cities where conditions permit, and institute a standard exchange system in this regard.

57. Continue to reform the planning and investment systems according to the requirements for the development of a planned commodity economy. The stress of planning should be put on the forecasting, planning, guiding, regulation, and control of economic activities in the entire society and on maintaining the overall balance of the economy and the harmony of major proportions and structures. We should improve the forms and methods of planning management according to the principle of combining planned economy with regulation through the market and the objective conditions for economic development in different periods and persist in and improve the system for overall balancing of the national economy. We should rationally readjust the scopes of mandatory and guidance planning and regulation through the market, conscientiously apply the law of value and the principles of supply and demand, gradually use economic policies and levers as the principal means for managing and regulating economic activities, and make planning decisions and exercise management in a more scientific and efficient way.

We should reform the measures for dividing the authority for examination and approval of projects according to the production capacities of such projects and the ceilings of their investments. It is necessary to strictly control the general scale of investment and to strengthen the role of industrial policy in pointing the direction. Major construction projects that have a bearing on the overall situation should be managed in a relatively centralized manner. As for general construction and technical transformation projects, the amount of investment that is within the general scale prescribed by the state, their investors can make their own decisions. Special funds for coal, oil, electricity, and transportation development should be set up in order to ensure a relatively reliable source of funds for key construction projects. At the same time, we should strive to use economic methods and seek new ways to attract and raise funds in society; we should continue to adopt effective measures to arouse the enthusiasm of localities, departments, and enterprises to develop energy and transportation. We should further implement the competitive bidding system for construction projects and bring the competitive mechanism of the market into full play.

58. Reform the wage system. Stress should be placed on solving five questions: First, it is necessary to set up and improve a mechanism for the regulation and control of total wages and a mechanism for the normal increase of

wages so that wages will increase proportionally, in a planned way, and on the basis of the sustained, steady, and coordinated development of the national economy. Second, on the principle of distribution according to work, it is necessary to institute a wage system fully reflecting the quality and amount of work done by workers and staff members. In enterprises, we should continue to improve the measures for linking the total amount of wages to economic efficiency and implement step by step an internal distribution system with post and technical wages as the main form. Party and government organizations and institutions should gradually institute a wage system according to their respective characteristics. Third, it is necessary to readjust the structure of wage earnings and to restrict and reduce the distribution of goods instead of money. In connection with the reform of the pricing, housing, and medical insurance systems, some benefit-type subsidies should be included in the wages step by step. Fourth, it is necessary to change the confusing situation in which there are bonuses, subsidies, and earnings other than wages. We should strengthen wage management and gradually institute a system of macroeconomic control by the state, different categories of wages under different types of management at various levels, and enterprises deciding for themselves in wages. Fifth, we should implement the personal income reporting system, strictly collect income regulation tax, and carry out other relevant measures in order to reduce the unfairness in the distribution of income in society.

59. Strengthen the building of the macro-economic control mechanism.

— Gradually establish a macro-control structure and system mainly based on the state plan and supplemented by economic, administrative, and legal means. Particular attention should be paid to perfecting the indirect control mechanism and to better utilization of pricing, tariff, interest rate, foreign exchange and other means to control the economic work. To that end, we should further smooth over the relationship between planning, finance, banking, and other economic departments, and bring into play the roles of planning departments as the economic levers of comprehensive balancing, executing of the state's industrial policy, and of comprehensive coordination of various economic activities, so that planning, finance, and banking departments may have reasonable distribution of work, so that they may cooperate closely, and coordinate with each other. We should strengthen and improve work at auditing, statistical, pricing, taxation, information, measurement, industry, and commerce administrative management departments. In particular, we should adapt ourselves to the new situation after the reform and opening, establish and perfect the accounting system, and set up and improve scientific statistical and monitoring methods and systems, to better serve macroeconomic control.

— Correctly handle the relationship between the concentration of power and delegation of power and the

relationship between the central government and local governments. According to the principle of ensuring the nation's economic unity and flexibility and of giving full play to the initiative of both the central and local governments, we should carry out necessary readjustment and make clear division of work, of power over finance, and of power over economic control between the central and local governments. We should enhance the central government's macro-control capability in a down-to-earth manner, raise the effectiveness and authoritativeness of macro-control, and appropriately raise the power of local governments in applying economic levers.

— Establish a scientific economic decisionmaking structure and system. Opinions from various social circles, including those from relevant experts, scholars, and enterprises, should be extensively solicited when making major decisions and when carrying out major construction projects; earnest feasibility study and scientific verification should be made; and when the occasion calls for making several proposals, the best one should be selected. The setting of major goals and approval for infrastructural and technological upgrading projects in the course of the national economic and social development should follow the approval authority and approval procedures as set forth in state regulations. We should strengthen the responsibility system in economic decisionmaking and in economic management and put a stop to the practice of some leaders who order the go-ahead for construction projects or change the state's planning targets simply through a written order. All relevant units and personnel have the right to stop the recurrence of such phenomenon.

— Accelerate the building of an economic law system and bring about the regularization and systematization of economic control. During the Eighth Five-Year Plan period, we should gradually establish a relatively complete economic law structure, so that various economic activities may follow the law. Steps should be taken to accelerate the pace of formulating such basic economic laws as the "planning law," "budget law," "banking law," "investment law," "corporate law," "pricing law," "market law," "labor law," "wage law," and "auditing law," and work on strengthening economic supervision and economic jurisdiction should proceed in a down-to-earth manner.

VI. Open Wider to the Outside World

60. Continuously persist in the basic policy of opening to the outside world. In the next 10 years and during the Eighth Five-Year Plan period, we should, based on the principle of equality and mutual interests, further expand foreign economic and technological exchanges and cooperation and strive to achieve still greater progress in the areas of foreign trade, utilization of foreign capital, and import of technologies and personnel, to bring about the realization of the economic and social development goals by the end of this century.

61. Make efforts to expand exports and increase foreign exchange earnings. This is a foundation for further expanding foreign economic and technological exchanges and cooperation. On the premise of ensuring the sustained and stable development of foreign trade, we should place our emphasis on improving the export product mix and on raising the quality of export commodities; effect the shift from exporting roughly processed goods to exporting intensively processed goods; make great efforts to increase the exports of machinery and electronic products, light textile products, and high technology products; give priority to supporting the export of a number of products that have bright prospects on the international market and have strong competitiveness; and increase foreign exchange earnings by relying mainly on raising the quality and reputation of export commodities. Great efforts should also be made in introducing new product varieties; improving product packing, marketing, and services; enhancing business management; lowering export costs; raising economic performance; consolidating existing markets; and exploring new markets. While expanding exports, we should continuously develop labor service export, foreign engineering projects, and international air cargo and marine transportation. Energetic promotion of international tourism will not only increase our foreign exchange earnings, but also will make the people of the world have a better understanding of China and enhance the friendship between the Chinese people and other peoples in the world.

62. Implement policies and measures that favor the expansion of exports. Great efforts should be made to strengthen the building of a production system for export commodities; bring into play the advantages enjoyed by coastal, border, and other areas; and establish export commodity production bases that combine industry and trade, and agriculture and trade functions. While giving play to the export potential of state-run, large enterprises, we should further bring into play the important role of small- and medium-sized enterprises, rural enterprises in particular, in export trade, and aggressively export agricultural products that earn foreign exchange. The state will support the export policy through funds, material, and transportation arrangements. In particular, the economic lever of credit, taxation, pricing, foreign exchange rate, and others should be better utilized to encourage the production of export commodities, increase the sales of export commodities, and expand the overseas marketing and aftersale network.

63. Rationally arrange imports and readjust the import structure. We should rationally arrange the import structure and concentrate the use of limited foreign exchange on the import of advanced technologies, key equipment, and materials needed for the state's key production projects based on the principle of favoring technological progress, enhancing export capability, and earning and saving foreign exchange. We should actively organize the production and ensure the quality of raw materials, machinery, and electronic equipment that can be supplied and manufactured domestically, and either

decrease or stop importation. More resolute and effective measures should be adopted to strictly limit the import of luxury goods, high quality consumption goods, cigarettes, wine, fruits, and other commodities. We should greatly develop the production of import substitutes, accelerate the indigenous manufacturing process, and promote the invigoration and development of industries of minority nationalities. It is necessary to attach great importance to absorbing, assimilating, and innovating technologies; formulate national plans and policies for importing and assimilating technologies; and prevent blind, unnecessary, and redundant importation of technologies.

64. Actively and effectively make use of foreign capital. We should continuously strive to secure loans, from international banking institutions and foreign governments and particularly those with favorable terms. It is necessary to maintain a reasonable loan scale and structure, select good investment areas, and use loans for key agriculture, water conservancy, energy, transport, telecommunications, and major raw materials projects. Many approaches should be taken to attract foreign investment. We should further improve the investment environment; correctly guide investment by foreign businessmen in accordance with industrial policy; and set up more export-oriented and technologically advanced type enterprises. Attention should also be given to combining the efforts to attract foreign investment with that of accelerating the technological upgrade of enterprises. We should strictly enforce state laws, regulations, policies, and measures on encouraging the investment of foreign businessmen and put a stop to the practice in some regions, that violate state regulations, of unauthorized preferential measures. Regarding foreign-funded enterprises, we should not only protect their legitimate business and their rights, but also step up necessary supervision and management over them. It is necessary to strengthen planning and guidance over the utilization of foreign capital and attach importance to the economic effects of projects which utilize foreign capital. There should be a responsibility system governing the borrowing of foreign funds. Both central and local governments should establish foreign-debt repayment funds to ensure that debts are repayed on schedule.

65. Further implement the strategy of economic development in coastal areas and greatly develop an export-oriented economy. Giving full play to the advantages and favorable conditions of coastal regions in the course of opening to the outside world will have a major strategic significance in accelerating economic development and in promoting the invigoration and prosperity of the nation's economy. There will be no change in the basic policy of operating special economic zones. Proven and effective policies and flexible measures should be continued. Special economic zones should be managed in an even better way. Economic and technological development zones, coastal open cities, and open areas should be further consolidated and developed so that they may better undertake the important task of developing

import and export trade, of utilizing foreign capital, and of absorbing technologies so that they may play the roles as windows, bridges, and bases in the course of opening to the outside world. Special economic zones and open cities and areas should take the overall national economy into consideration, formulate a rational development and construction plan, and focus on the international market. Open cities and areas should also make great efforts to develop transregional cooperation with China's inland areas. Doing an earnest and good job in the development and opening of the new Shanghai Pudong area is a major task for the next decade. Open cities and areas should also make great efforts in developing an economic and trade relationship with neighboring countries.

66. To reform the structure for administering foreign trade and foreign exchange. The present contract system in foreign trade has played a positive role in promoting foreign trade, but there remain certain imperfections and problems, which we must try to perfect and reform. We must implement a foreign trade system in which enterprises manage their own affairs and are responsible for their own profits and losses, in which industry and trade are integrated, and in which foreign trade efforts are unified. We must perfect the export procurement system, a system of direct export by manufacturing enterprises authorized to do so, and the agency system. We must appropriately expand the freedom of large, key enterprises, especially the business groups, to engage in foreign trade, and motivate them to earn foreign exchange through exports. We must tighten control over foreign exchange receipts from exports, implement the tracking of remittances, and reform the system for retaining and utilizing foreign exchange. We must improve the mechanism for setting foreign exchange rates, establish and perfect a flexible and rational foreign exchange regulatory system managed by the state, and perfect the foreign exchange regulatory market.

VII. The Whole Party and the Whole Nation Must Unite and Work for the Realization of the 10-Year Program and the Eighth Five-Year Plan

67. The execution of the 10-year program and the Eighth Five-Year Plan will make China richer, stronger, and more prosperous, and will contribute to world peace and development. China has always pursued an independent foreign policy of peace, and advocated the Five Principles of Peaceful Coexistence in the handling of relations between nations. China's development needs a peaceful international environment and a constant expansion of friendly contacts and sincere cooperation with countries around the world. We believe that in the course of implementing the 10-year program and the Eighth Five-Year Plan, economic and technological exchanges between China and the rest of the world will become more dynamic, on the basis of equality and mutual benefits. The various forms of friendly cooperation already in existence will consolidate and develop further.

68. To continue to press ahead with the cause of reunifying the motherland. Along with the return of Hong Kong and Macao to the motherland, China will actively press ahead to bring about direct mail, trade, and traffic across the strait in the 1990's. Under the principle of "one country, two systems," we will step up exchanges, improve understanding, welcome investment on the mainland by Taiwan businessmen, and promote the reunification of the motherland. This is the sacred mission bestowed upon us by history. The CPC Central Committee expresses the hope that all nationalities in China as well as compatriots in Hong Kong, Macao, Taiwan, and overseas will actively join the great cause of revitalizing the Chinese nation and reunifying the motherland during the 1990's.

69. The stability of the state and of society is the prerequisite and fundamental guarantee for the smooth implementation of the 10-year program and the Eighth Five-Year Plan. It is necessary to adhere to the party's basic line of one center and two basic points, persist in opposing bourgeois liberalization, further consolidate and develop political stability and unity, and maintain the great unity of people of all nationalities of our country. All patriots who want the country to become prosperous, rich, and powerful must treasure and protect the unification of the country and stability in society as if they were the pupils of their own eyes.

70. It is necessary to positively and properly promote reform of the political structure. The reform of the political structure is a guarantee for the success of the reform of the economic structure and is also an important component part of our country's entire cause of carrying out reform and open policy and promoting socialist modernization. We should adhere to and improve the system of people's congresses and multi-party cooperation and the political consultative system under the leadership of the Communist Party, establish and perfect the procedure and system of democratic policymaking and democratic supervision, establish a leading system which will be conducive to increasing working efficiency and whipping up the enthusiasm of all sides, and strive to strengthen socialist democracy with Chinese characteristics. It is necessary to further carry out reform of the administrative management system, straighten out functions and relations of different departments at various levels, and continue to carry out the personnel cadre system reform. It is necessary to adopt firm and effective measures to continuously strengthen the building of an honest government, rectify unhealthy tendencies, streamline organizations, reduce levels of administration, cut unnecessary personnel, and improve work style and efficiency. In particular, it is necessary to wage constant and resolute struggle against all kinds of corrupt tendencies.

71. It is necessary to strengthen the building of the People's Armed Forces. The People's Liberation Army, the armed police units, public security cadres, and policemen form a strong pillar for the people's democratic dictatorship. We must continue to strengthen the

revolutionization, modernization, and regularization of the People's Armed Forces, raise their political and military quality, and strengthen their combat capability. It is necessary to effectively strengthen the building of militia and reserve units. We should vigorously carry out national defense education and enhance all people's sense of national defense. We shall resolutely defend our country's sacred sovereignty and territorial integrity, resolutely defend social stability and people's interests, and protect the smooth building of socialist modernization.

72. It is necessary to strengthen and improve the leadership of the Communist Party of China. The Communist Party of China is the force at the core in leading people of all nationalities of our country to proceed in the building of socialist modernization and in the cause of reform and opening to the outside world. The smooth implementation of the 10-year program and the Eighth Five-Year Plan calls for further strengthening and improving the party's leadership. All members of the Communist Party, especially the party's leading cadres, must conscientiously study Marxism-Leninism and Mao Zedong Thought while serving the people wholeheartedly. It is necessary to continue to carry forward and develop the fine tradition of combining theory with practice, maintaining close ties with the masses, and unfolding criticism and self-criticism; adhere to the principle of democratic centralism; keep to the working method of "from the masses and to the masses"; maintain the flesh-and-blood ties with the masses; and strengthen the party's inner cohesion and fighting power. We should continue to vigorously strengthen the building of party cadres in accordance with the principle of making the ranks of cadres more revolutionary, younger, better educated, and more professionally competent; select and cultivate outstanding successors; and ensure that the leadership of party organizations at various levels is in the hands of those who are loyal to Marxism. We should effectively strengthen and improve the building of party organizations at the grass-roots level. Comrades of the whole party must stand at the forefront of promoting socialist modernization, reform, and opening to the outside world in the spirit of seeking truth from facts and advance with a pioneering spirit.

The CPC Central Committee issues the following call: All members of the Communist Party and Communist Youth League; workers, peasants, and intellectuals of all nationalities of our country; the broad masses of cadres and soldiers of the People's Armed Forces; all patriotic people of democratic parties, mass organizations and non-party personnel; and all people who love their motherland—you shall unite even more closely, work with one heart, quietly put your shoulder to the wheel, struggle hard for the successful accomplishment of the 10-year program and the Eighth Five-Year Plan, and create a better future with your own wisdom, talent, and hard working hands!

Political & Social

China Democratic League Concludes Plenum

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[By RENMIN RIBAO reporter Yuan Jianda (5913 1696 6671) and XINHUA News Agency reporter Hu Qinghai (5170 3237 3189)]

[Text] Beijing, 26 Jan (XINHUA)—The Third Plenary Session of the Sixth China Democratic League [CDL] Central Committee was held in Beijing from 22 to 26 January. The plenary session concentrated on studying and discussing the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, and unanimously supported the communique of the seventh plenary session. The plenary session adopted a resolution, calling for all league members to unite closely around the CPC Central Committee with Comrade Jiang Zemin as the nucleus; to hold high the banner of patriotism and socialism; and to undertake the dual task of participating in the administration of state affairs and exercising democratic supervision and of seeking self-improvement. The resolution also asked all league members to do a good job in various fields of work during the first year of the "Eighth Five-Year Plan" period, and to strive for upholding and improving the system of multi-party cooperation and political consultation under the CPC leadership, achieving motherland reunification, revitalizing China, and building socialism with Chinese characteristics.

The agenda of this plenary session included: Studying ways to implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, and hearing and deliberating the work report of the Standing Committee of the CDL Central Committee. The plenary session decided to hold the CDL's seventh national congress in the second half of next year.

Fei Xiaotong, chairman of the CDL Central Committee, said at the opening session: The CDL's important task at the moment is to study and implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. During the next crucial decade, the CDL must, under the CPC leadership, steadfastly follow the road of building socialism with Chinese characteristics; pursue the reform and opening policy; carry out the principle of developing national economy in a sustained, stable, and coordinated way; implement the principle of pursuing self-reliance, waging arduous struggle, and building up the country through thrift and hard work; and resolutely carry on the principle of building material and spiritual civilization. Moreover, the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee must be carried out in various fields of the CDL's work.

Fei Xiaotong pointed out: As a part of China's socialist system of political parties and as a political party participating in the administration of state affairs, the CDL

should further raise its overall quality and its level of participating in the administration of state affairs. The most fundamental way to build a sound political party which plays a role in the administration of state affairs is to elevate the ideological and theoretical levels of all its members. He said: This year is the CDL's 50th anniversary. We must educate all league members in patriotism and socialism, as well as in the league's revolutionary tradition, through the commemorative activities marking the anniversary.

Qian Weichang, vice chairman of the CDL Central Committee, gave a work report on behalf of the Standing Committee of the Sixth CDL Central Committee during the plenary session. After reviewing the CDL's work in studying and implementing "The CPC Central Committee's Opinions on Upholding and Improving the System of Multiparty Cooperation and Political Consultation Under the CPC Leadership" and the guidelines of the National Conference on United Front Work since the Second Plenary Session of the Sixth CDL Central Committee, he said: The CDL has undergone gratifying changes through common efforts made by all league members. Organizations at various levels mustered the large number of league members to launch their work vigorously, thereby accomplishing many practical, good deeds in promoting the reform and opening policy and socialist modernization. They made progress in participating in the administration of state affairs, in playing the role of a political party having a say in state affairs, in improving themselves, and in perfecting the workings of the political party. They have full confidence in building the party into one that plays a role in handling state affairs, and in carrying forward the CDL's glorious revolutionary tradition into the future.

Speaking of the work for 1991, Qian Weichang called for conscientiously studying the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee; continuing to earnestly carry out the CPC Central Committee's "opinions" in order to better play the role of a political party involved in the administration of state affairs; continuing the work of cementing relations with Hong Kong, Macao, and Taiwan compatriots and Overseas Chinese in order to expedite the peaceful reunification of the motherland; holding commemorative activities to mark the CDL's 50th anniversary and conducting education on the CDL's glorious tradition; continuing the work of self-improvement, strengthening and perfecting the CDL's political party system; and conscientiously preparing for end-of-term elections of members of the CDL Central Committee and its various local organizations, which will be held before the due date.

During the plenary session, Ding Guangen, alternate member of the CPC Political Bureau, member of the CPC Secretariat, and director of the United Front Work Department; and Jiang Minkuan and Song Kun, respectively executive deputy director and deputy director of the United Front Work Department, visited all attendees to the plenary session and held a meeting with

members of the Standing Committee of the CDL Central Committee. Comrade Ding Guangen spoke at the meeting.

Also attending the plenary session were Chu Tunan, honorary chairman of the CDL Central Committee; and Vice Chairmen Gao Tian, Tan Jiazhen, Tao Dayong, Luo Hanxian, Ma Dayou, Feng Zhijun, Kang Zhenhuang, Kong Lingren, and Xie Songkai.

The Central Advisory Committee of the CDL Central Committee held a meeting during the same period. The Central Advisory Committee Vice Chairmen Feng Suta, Li Wenyi, Lin Hengyuan, and Wen Jiasi attended the meeting.

NPC Vice Chairman Liao Hansheng Visits Guangxi

*HK2801144091 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 24 Jan 91*

[Excerpts] While inspecting our region recently, Liao Hansheng, vice chairman of the NPC Standing Committee, pointed out: Promoting well nationality solidarity is an important guarantee for safeguarding the stability of the state and society. Only by securing a stable society can we promote reform and opening up, and ensure a stable development of our socialist modernization.

On 8-23 January, accompanied by Zhao Mingjian and Tian Min, vice chairmen of the regional People's Congress Standing Committee, Liao Hansheng successively inspected Nanning, Liuzhou, Fangcheng Port area, and Beihai City. He visited factories, rural areas, schools, and Army units to extensively talk with people of various nationalities and cadres, and respectively listened to reports by Comrades Zhao Fulin, Gan Ku, Cheng Kejie, and Chen Ren and others on our region's economic construction, opening up to the outside world, enforcement of autonomous law in areas inhabited by minority nationalities, work of the people's congresses, and so on. He also held discussion with some NPC deputies in Nanning. [passage omitted]

While talking about Guangxi's work, Comrade Liao Hansheng said: Reviewing the past, we realize that great changes have taken place in Guangxi since the 11th CPC Central Committee's Third Plenary Session, and that it has made a great step forward. Looking forward, when we compare it with some advanced provinces, we realize that there is still a big gap between them. Not long ago, when General Secretary Jiang Zeming was visiting Guangxi, he said: Guangxi has made great achievements, but it is facing great difficulties. It promises high hopes of success. This generalization is completely correct. We must implement well the instructions issued by our general secretary when he was visiting our region.

When Liao Hansheng realized that there are still three million people in Guangxi who are striving to solve the problem of having enough food to eat and sufficient clothing to wear, and that there are still enormous

difficulties in developing the economy of the area inhabited by minority nationalities, he said: Guangxi is located at the motherland's southern border, and has made great contributions to defending our country. It is also a mountainous region with old liberated areas lying on its left and right sides. These difficulties truly deserve attention. We must rely on the masses to tide over difficulties. Liao Hansheng continued: Guangxi is a region of minority nationalities. We must conscientiously enforce autonomous law for areas of minority nationalities to ensure autonomous rights of these areas.

He stressed: The People's Congress system is our country's fundamental political system. People's congresses and their standing committees are organs of state power. Under the leadership of the CPC committees, people's congresses must make efforts to strengthen social democracy and the legal system to do their work in a still better way.

Li Tieying Attends Ceremony for Hygienic Cities

OW2701193391 Beijing XINHUA Domestic Service
in Chinese 1008 GMT 27 Jan 91

[By reporter Yu Changhong (0060 7022 3163)]

[Text] Beijing, 27 Jan (XINHUA)—The "10 most hygienic cities," "hygienic cities," and prize-winning cities for outstanding performance in certain aspects of hygienic work selected in the first nationwide city hygiene examination and appraisal were given awards at a grand ceremony today by the All-China Patriotic Public Health Campaign Committee. Also awarded were the mayors or vice mayors of the "10 most hygienic cities." Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, was among those attending the award ceremony.

As a result of the nationwide city hygiene examination and appraisal held last year which covered 455 cities, 16 "hygienic cities" were selected from among the municipalities, provincial capital cities, and cities with independent economic decision-making authority; 19 from among prefectural-level cities; and 16 from county-level cities. The top 10 of these three categories were cited as the "10 most hygienic cities." At today's ceremony, "Awards to Mayors of the 10 Most Hygienic Cities" were given to 30 mayors or vice mayors in recognition of their outstanding performance in building the "10 most hygienic cities" and also to the mayor of Weihai City for what he did in building the most "hygienic city of our country." In the meantime, 42 prize winners were selected for outstanding performance in certain aspects of hygienic work.

Motivated by the above-mentioned examination and appraisal, the 455 cities around the country did lots of good, realistic things for the masses. According to initial statistics compiled by Beijing and 14 other cities, 48 new garbage disposal yards were established, 21.073 million meters of roads were constructed, and some 24,000 new trash cans were set up on the streets and in public places

as a result of the development of the hygienic city campaign. In addition, there appeared 58.895 million square meters of lawns in urban areas, plus 1,689 small scenic spots on the streets. A total of 5,170.6 metric tons of rodenticide were used, and 14 cities met the rat-extermination targets.

It is reported that city hygiene examination and appraisal will continue in the future. From now on, this will be conducted once every two years covering all cities across the country. This year, the "hygienic cities" and the "10 most hygienic cities" will be subjected to overall checkups. If any of them is found to have declined remarkably in its hygiene standard and evoked loud complaints from the masses, it will be subjected to criticism and ordered to make improvement within a prescribed period of time. If the case is serious enough, the title of "hygienic city" will be removed.

Education Commission Meeting Defines Work Goals

OW2601214291 Beijing XINHUA Domestic Service
in Chinese 0939 GMT 26 Jan 91

[Text] Beijing, 26 Jan (XINHUA)—The 1991 work meeting of the State Education Commission, which lasted for four days, closed today. The meeting pointed out that in the new year, departments of educational administrations and schools of all categories at all levels should follow the guidelines of the Third Plenary Session of the 13th CPC Central Committee, adopt a correct idea of education, raise the ideological and political level as well as vocational quality of teachers and students, and consolidate and enhance stability on the educational front. The meeting stressed the need to give prominence to improving educational quality and the efficiency of schools.

When the meeting was in session, the participating comrades discussed a report by Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor and minister in charge of the State Education Commission, entitled: "Strive To Build a Socialist Educational System With Chinese Characteristics." They studied ways to formulate the 10-year program and the "Eighth Five-Year" Plan for education throughout China and made plans for the major work in 1991. He Dongchang, Teng Teng, Zhu Kaixuan, Liu Bin, Zou Shiyan, and Wang Mingda, vice ministers of the State Education Commission, joined the participating comrades in discussing the present situation and problems of education, and defining the emphasis of work in the new year. The meeting pointed out that in order to give priority to educational development, governments at all levels should be encouraged to invest more in education and improve the ways to raise funds for education through different channels. Additionally, close attention should also be given to improving the economic environment, rectifying the economic order, deepening educational reform, optimizing the educational structure, creating better conditions for operating schools, and stepping up teachers' training.

In elementary education, the State Education Commission maintained that it is necessary to further step up moral education in primary and secondary schools; actively work for the realization of a nine-year compulsory education; improve school administration and rectify on-campus order; deepen reform and strive to raise educational quality; and build more normal schools.

In comprehensive higher education, the State Education Commission pointed out the need to further step up party building as well as ideological and political work in colleges and universities; work out specific plans for higher education in the "Eighth Five-Year" Plan and 10-year program; concentrate on readjusting the distribution of comprehensive colleges and universities; deepen reform and improve quality; effectively conduct work in science and technology in colleges and universities; improve teaching materials for all subjects; and successfully assign jobs for graduating students.

In vocational and technical education, the State Education Commission urged educational departments at all levels to sum up the experiences in vocational and technical education in the past 10 years, draw up draft plans for educational reform and development, and submit the relevant policies and measures; step up moral education; study ways to reform the vocational and technical education management system; intensify reform and enhance development of vocational and technical education, and readjust the structure of specialties (work types) in order to gradually promote the reform of the system of admission into technical secondary schools and skilled workers schools as well as the system of job assignment for their graduates; establish standardized vocational and technical schools; and study the plans for trial operation of higher vocational schools focused on artistry, and carry out experimentation accordingly.

In adult education, the State Education Commission has decided to further review the anti-illiteracy campaign throughout the nation, and draft a program for development of peasants cultural and technical schools in townships and towns; consolidate adult higher education, readjust educational structures and layout, provide better conditions for operating schools, perfect the basic system of teaching and management, and improve educational quality; strengthen on-the-job training and formulate principles and policies for beefing up technical secondary education through radio and TV lectures as well as through correspondence courses; survey the ability of communities to operate schools, draft the related decrees, provide guidance to ensure healthy development of community schools; and study ways to improve the examination system for self-taught students.

Regarding international educational cooperation and the work on students studying abroad, the State Education Commission noted the need to further perfect the policy of sending students abroad; to earnestly implement the principle that "students are sent abroad as needed, people with political integrity and talents will be sent,

their quality will be guaranteed, and what they have learned will be applied to their jobs." In light of the differences of the target countries, specific policies for sending students abroad will be studied and the methods for selecting students for overseas studies at the government's expense will be improved.

The State Education Commission also made specific plans for work in education, legislation, building a clean government, developing nationality education, rectifying the malpractices in educational departments in the new year.

Wang Zhen Speaks on Responsibilities of Teachers

*OW2701121791 Beijing Domestic Service
in Mandarin 1030 GMT 26 Jan 91*

[From the "National Hookup" program]

[Text] Today, the State Education Commission, Beijing Municipal People's Government, China's Commendation Foundation for Teachers of Middle and Primary Schools and Kindergartens, and Beijing Municipal People's Educational Foundation held a tea party extending comfort to teachers and welcoming the Spring Festival at the Great Hall of the People in Beijing. Happily gathering together to welcome the Spring Festival were approximately 1,000 people, including such leading comrades Wang Zhen, Li Tieying, Li Ximing, Zhou Gucheng, Lei Jieqiong, Chen Xitong, and Qian Weichang; distinguished figures from the educational circle in Beijing; and representatives of outstanding teachers in Beijing and Tianjin Municipalities.

In his speech, Vice President Wang Zhen, also chairman of China's Commendation Foundation for Teachers of Middle and Primary Schools and Kindergartens, pointed out: Teachers are undertaking an incomparably lofty and honorable mission to cultivate the successors of socialism-building and the cause of proletarian revolution in their overall development in ethics, intelligence, and physique. He said: I hope that the broad masses of teachers will clearly understand their own special and sacred missions. They should regard upholding the correct political tendency as the first priority. They should unrelentingly educate the broad masses of children and youths in patriotism, collectivism, and socialism. They should teach them dialectical and historical materialisms as an outlook on life. As a result, they will cultivate more reliable successors to the cause of socialism and communism.

The literary circle in Beijing performed literary shows for the teachers.

Railways Minister on Rectifying 'Misconduct'

*OW2701093091 Beijing XINHUA Domestic Service
in Chinese 0844 GMT 25 Jan 91*

[By XINHUA reporter Dou Guangsheng (4535 1639 3932)]

[Text] Beijing, 25 Jan (XINHUA)—Briefing the National People's Congress [NPC] deputies on rectifying railway misconduct, Railways Minister Li Senmao said here today that, despite insufficient railroads, poor equipment, and a severe shortage in hauling capacity during the past five years, China's railways departments did everything to exploit their potential and overfulfilled state targets every year. However, he said, railway irregularities are getting more serious and continuous efforts must be made to promote good ethics.

Li Senmao said: The frequent mistreatment of passengers, rough handling of cargo, unauthorized levies, and unauthorized price increases, as well as the misdeeds of people who seek personal gain by means of car space and tickets, or who trade their authority for money, have severely tarnished the reputation of railway departments and the image of the party and the government. Some personnel responsible for approving car space accept money and goods from shippers in return for car space. Some personnel take advantage of their connections to resell tickets at a profit. Some units make profits by collaborating with local enterprises and offering them transportation services. And some take advantage of their authority to approve unauthorized car space for commodity deliveries. There also are train attendants who work in collusion with tobacco dealers and allow them to hide contraband cigarettes in dining cars, sleeping-berth cars, and even inside car roofs. People are complaining that ordinary train service today is far worse than in the 1950's. Many trains, especially slow trains, are unsanitary, food and beverages served in dining cars are of poor quality and expensive, and some trains do not even have drinking water for passengers. Some attendants, instead of providing services while on duty, make money by selling books, magazines, beverages, and other goods. Some attendants even beat up passengers and deliberately cause trouble.

Li Senmao said: In view of these unhealthy phenomena, the Railways Ministry has made great efforts to improve ethics and crack down on misconduct as instructed by the State Council. Leading groups headed by party and administrative comrades, with support from full-time professional personnel, have been formed in the ministry and all railway bureaus and subbureaus have been instructed to take charge of improving ethics and stopping misconduct. Stern actions have been taken to outlaw high-fare, private trains operated by railway transportation units in an effort to stop the "legitimization of using trains for private gains." Two sets of regulations have been drawn up and promulgated to ban the use of cars and train tickets for private gains. Offenders will now be punished according to these regulations. Earnest efforts have also been made to screen companies run by railway departments. Companies that make profits by selling car space have been closed down. We now have basically stopped the once rampant practice of profiteering with trains. Efforts made in other areas have also somewhat improved the quality of train service.

Speaking on the next steps to be taken, Li Senmao said: This year, railway departments will continue to make it a priority to improve railway ethics and deal with problems such as using car space and train tickets for personal gains, as well as theft among railway workers. Comprehensive measures will be taken to deal with these problems and improve ethics. Efforts will be made to improve the services on slow trains and on express trains bound for Beijing and Shanghai, and trains operating on other major routes, and at all large- and medium-size stations. An emulation drive to offer the best service will be launched among attendants and in all passenger trains. To ensure a regular supply of drinking water on trains, nearly 90 million yuan has been earmarked this year to fund the "teacup project." To overcome train shortages, more passenger cars with sleeping berths will be produced this year and the production of hard seat cars will be reduced. More double-deck passenger cars suitable for medium and short journeys will be produced. The 22-meter-long passenger cars will be gradually replaced by the new and longer 25-meter cars.

In conclusion, Li Senmao said: We will continue to crack down on "train bandits and railroad tyrants" this year. Preparations have been made to reinforce armed patrols at important districts and sections and on key trains. To improve railway security and order, we will also resolutely crack down on criminals and gangs who sabotage railway facilities, steal railroad materials, and rob or steal cargo, and on depots at which railway equipment is purchased illegally.

Over 46,800 Corrupt Officials Punished in 1990

HK2701032691 Beijing CHINA DAILY in English
26 Jan 91 p 1

[By staff reporter Chang Hong]

[Text] More than 46,800 government officials accused of involvement in corruption were dismissed, demoted or disciplined by the government last year, according to Wei Jianxing, Minister of Supervision.

The figure represents a 15 percent increase over 1989, statistics from the ministry indicated. In that year, about 39,600 government office workers were given administrative penalties on such charges as dereliction of duty, embezzlement and taking bribes.

Wei told a conference on supervisory work yesterday in Beijing that the disciplined officials included four senior governor and minister-level cadres, 129 bureau-level cadres and 1,782 middle-ranking county and section-chief level cadres.

Irregularity among leading government bodies and ranking officials has been the main target of supervisory departments in the anti-corruption drive across the nation.

Also, the Minister said, 3,385 government officials had been handed over to judicial organs for prosecution for serious corruption offenses.

Wei said that last year supervisory offices investigated some 51,300 cases. So far, 42,500 have been concluded.

Through the investigations, supervisory bodies retrieved 350 million yuan (\$67 million), he said.

Wei explained that cases involving officials who pursue personal gains by abusing their authority remains the major part of corruption allegations his ministry handles.

The minister said nearly 4,000 experts and scholars have been enlisted by supervisory authorities nationwide to work as "guest supervisors."

Litigation Law Implementation 'Basically Smooth'

OW2801042491 Beijing XINHUA Domestic Service
in Chinese 1137 GMT 24 Jan 91

[By reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 24 Jan (XINHUA)—Supreme People's Court Vice President Ma Yuan said here today that after the implementation of the administrative litigation law, there has been no big increase in administrative cases, nor did it have a great impact on administrative organs, interfere with normal administrative management activities, or affect administrative organs' exercise of administrative power according to the law. Therefore, the implementation of the administrative law has been basically smooth.

Ma Yuan made the remarks in a briefing on the implementation of the administrative litigation law to the deputies of the National People's Congress in Beijing. She noted that prior to the implementation of the administrative law, units, departments, and various trades launched popularization and study activities. Through study and training sessions, many administrative organs enhanced their awareness of exercising administrative functions according to the law and raised their law enforcement level. The masses now have a better and correct understanding of administrative litigation, and willful and indiscriminate bringing of lawsuits against administrative organs is only a very rare phenomenon.

Ma Yuan said that by the end of 1990, a total of 3,037 administrative trial courts were set up nationwide, accounting for 92.68 percent of all planned administrative courts; a total of 9,723 cadres were assigned to work at administrative trial courts. This created conditions for solving the problem of having "no door on which to knock for bringing a lawsuit." From January 1983, the year China established an administrative litigation system, to October 1990, the nation's courts accepted a total of 35,973 first-hearing administrative cases. Since the formal implementation of the administrative litigation law three months ago, the nation's courts have

accepted 4,000 cases. People's courts rectified administrative organs' illegal administrative acts through administrative litigation; such cases accounted for one-third of all cases, including cases involving administrative organs changing their administrative acts in the course of litigation.

Ma Yuan said that in launching trial activities, people's courts integrated administrative trial with the popularization of the administrative law. They not only pass verdicts on administrative disputes in strict accordance to the law; they also pay attention to coordinating and mediating the relationship between plaintiffs and defendants. They not only support the legitimate litigation requests of plaintiffs; they also educate plaintiffs to accept correct and legal management of administrative organs. They not only support the administrative organs involved in litigation to exercise power according to the law; they also point out to administrative organs the problems in enforcing administrative law, and help them improve the administrative law enforcement system.

According to Ma Yuan, China now faces the following major issues: Insufficient study and popularization of the administrative litigation law, the administrative law in particular; massive increase of administrative cases overburdens the manpower at the people's courts; some people and individual administrative organs are unable to quickly change their concepts regarding a number of laws, regulations, and policies, and their supplementary measures are insufficient; and people's courts lack trial experience.

Ma Yuan expressed the hope that organs of power at all levels will strengthen supervision of administrative trial work, support people's courts' independent and legal exercise of trial rights, and pay attention to the establishment and improvement of administrative and enforcement organizations at people's courts.

Zou Jiahua Discusses Civil Aviation Work

OW2801023091 Beijing XINHUA Domestic Service
in Chinese 1438 GMT 25 Jan 91

[By reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 25 Jan (XINHUA)—State Councillor Zou Jiahua held a discussion today with the delegates attending a national civil aviation work conference. Zou Jiahua pointed out that the general and long-term objective of China's civil aviation work is to ensure safety, operation on schedule, and good service and to strive to attain the level of international first-rate standards.

Zou Jiahua said: During the Seventh Five-Year-Plan period, China's civil aviation department has scored great success and made important contributions to the development of the economy and foreign relations. In light of its own characteristics, the civil aviation department has decided to make this year a "year of safety, quality, and efficiency," and this is a very necessary move. It is necessary to deepen the reform and improve

management to ensure safety and improve service. Although weather and other factors affect the punctuality of scheduled flights, many delays are actually caused by poor management and by mechanical problems of aircraft. Aircraft maintenance should be further improved. Since many factors can affect safety, managerial, ground control, safety inspection, and maintenance personnel should all do their share to ensure safety and punctuality of flights.

Zou Jiahua said: Good service should cover all links, including ticket sales, baggage handling, cabin service, and passenger's destinations. The civil aviation department, customs, and the safety inspection department should make concerted efforts to do airport and air transport work well. On passenger planes, we should attach importance to even small problems, such as a burned-out reading light or a malfunctioning speaker. Such problems do not affect safety and punctuality of flights, but they are annoying to passengers. We should step up the training of civil aviation personnel, strengthen the ideological and political work among them, and further improve the management and service of civil aviation.

Hu Yizhou, director of the Civil Aviation Administration of China, made a report on the production and development of the civil aviation department during the Seventh Five-Year-Plan, and its plan and objectives for this year and the Eighth Five-Year-Plan. Xu Bailing, president of Air China, also spoke during the discussion.

Peng Peiyun Discusses Control of Population Growth

*OW2801055291 Beijing XINHUA Domestic Service
in Chinese 1506 GMT 24 Jan 91*

[Text] Beijing, 24 Jan (XINHUA)—In her report on the country's population situation and family planning to National People's Congress deputies in Beijing, Peng Peiyun, minister in charge of the State Family Planning Commission, said: Family planning, which has been practiced since the 1970's, has made remarkable achievements in terms of controlling population growth. However, the population situation in our country is still serious, and the work of family planning remains very arduous.

Peng Peiyun said: By the end of 1990, our country had more than 1.14 billion people. Now we are confronted with a third baby boom. The number of women of child-bearing age, the number of women of prolific child-bearing [sheng yu wang sheng 3932 5148 2489 4141], and the number of women reaching the baby boom age [jin ru sheng yu feng zhi nian ling 6651 0354 3932 5148 1496 0237 1628 7881] in the Eighth Five-Year Plan period will increase 5.5 percent, 16.2 percent, and 8.2 percent over the Seventh Five-Year Plan period, respectively. The number of women of fertile child-bearing age and that of women reaching the baby boom age will gradually decrease after 1996. She estimated that the population of our country will increase by 17 million annually in the first few years of the 1990's.

She said: Since 1970, women's total birth rate in our country has dropped from 5.8 to 2.3 [figures as received]. This is obviously a tremendous achievement. However, the curve of the birth rate in our country clearly shows that the past 20 years of change in the birth rate can be divided into two periods: The birth rate dropped rather fast in the 1970's, and the low birth rate fluctuated and slowly decreased in the 1980's.

Analyzing the situation, Peng Peiyun maintained: The reasons for the slow decrease in the birth rate in the 1980's were: 1) The total birth rate in the rural areas remained around 2.8. Women in the vast countryside have generally borne two children each, and quite a few in some areas have even borne three. The rural population accounts for the overwhelming majority of the country's total population. This is why the country's birth rate and its change in this regard are mainly determined by the situation in the countryside. 2) More often than not, areas with a high population growth rate are less urbanized areas with a high illiteracy rate. This shows that the level of social and economic development has a considerable influence on population control.

Peng Peiyun pointed out: The key to strictly controlling population growth at present is to strive to implement the current family planning policy conscientiously at the basic level, to adopt effective measures to stop multiple births as well as early marriages and births, and to promote late marriage and birth. Second births must be strictly controlled according to local regulations on family planning, and birth control must be strengthened among the floating population. Women's total birth rate in 13 provinces and autonomous regions, including, in particular, several provinces with a population of over 50 million each, exceeds local policy requirements by more than 50 percent. The birth rate should be further reduced in the 1990's, and we should stress this in our work.

Peng Peiyun said: In carrying out family planning work in rural areas, it is necessary to resolutely implement the decision of the CPC Central Committee on strengthening the party's ties with the masses of people, to persist in doing everything possible for them, to follow the mass line, and to effectively carry out family planning work at the basic level. Vigorous efforts should be made to publicize family planning; to encourage people to use contraceptives; to practice family planning in a regular, scientific, and standardized way in order to effectively control population growth; to improve the quality of the population; and to promote political stability and economic development.

Contributing Commentator on Exchange of Cadres

*HK2701083291 Beijing GUANGMING RIBAO
in Chinese 3 Jan 91 p 1*

[Contributing commentator's article: "Earnestly Do a Good Job in Exchange of Cadres"]

[Text] Exchange of cadres is a major policy decision of the CPC Central Committee to implement the spirit of the Sixth Plenary Session of the 13th CPC Central Committee as well as an important measure to deepen reform of the cadre system. It will be of great significance to improving the quality of leading cadres at all levels, enhancing the building of leading bodies, promoting the drive to run clean administration, and maintaining closer ties between the party and the masses and between cadres and the masses.

A large number of cadres from various localities and departments have accepted with pleasure the transfer made by the organizations and reported to their new posts. These comrades have implemented the directives of the central authorities with their practical action, winning favorable comment from both inside and outside the party. We should also be aware that in the course of implementing the system of exchange of leading cadres, it is necessary to remove ideological obstructions and resolve certain practical problems. For example, a small number of cadres, with a lack of party spirit and organizational discipline, seek ease and comfort and bargain with the organization, stressing their family, children, and personal difficulties. Moreover, some party organizations and departments in charge of cadre affairs accommodate these cadres instead of sticking to principle. As a result, some cadres who should and could be exchanged were not transferred, affecting the implementation of the system of cadre exchange.

To properly implement the system of cadre exchange, it is necessary to first acquire a better understanding of the great significance of the system. In this regard, Hebei, Shanxi, Shandong, Shaanxi, and Jilin, which were the first to try the system of exchange of leading cadres, achieved fine results in practice. While summing up experience, some provinces, municipalities, and departments laid down policies to coordinate the system of cadre exchange or make specific arrangements for the exchange. The party organizations and departments in charge of cadre affairs of all localities should fully understand the vital importance of the system of cadre exchange, genuinely bring their thinking into line with the spirit of the CPC Central Committee, and earnestly implement the system.

Second, it is necessary to stick to principle and enforce discipline. The party constitution clearly stipulates: Our party upholds the principle of democratic centralism. Party members must "enhance organizational discipline, ensure unity of action of the whole party, and ensure prompt and effective implementation of the party's decisions." They must "indomitably carry out the party's resolution and accept the jobs assigned by the organization." These are the principles to be upheld and obligations to be fulfilled by party organizations and party members. Leading cadres at all levels, in particular, should uphold these principles and fulfill the obligations of party members "in an exemplary way." These are the basic requirements set by the party and state for

leading cadres at all levels and the rudimentary conditions a leading cadre should possess. Hence, leading cadres must accept any transfer or jobs assigned by the organization. In the exchange of cadres, there is no room for bargaining. Party organizations and departments in charge of cadre affairs should stick to principles and never yield in this regard.

The practice of cadre exchange in some localities indicates that it is extremely important for party organizations and departments in charge of cadre affairs to stick to principles and enforce discipline. Hubei decided in September the exchange of 19 prefectural and county leaders, which transcended prefectures. All the cadres reported on duty before National Day in light of the requirements. This was the result of the stipulations clearly laid down by the provincial authorities: Cadres to be transferred in accordance with the organization's decision must report for duty within the time prescribed. Those who fail to report for duty will be removed from their office on the spot; and disciplinary action will be taken against those with abominable behavior. Thanks to discipline enforced by Jiangxi's Yichun city, around 100 county-level cadres exchanged over the past two years reported for duty within a week. Some localities accommodated a small number of cadres who put undue stress on objective reasons or personal difficulties. As a result, the cadres vied with each other for better benefits and those to be transferred bargained with the organization, increasing difficulties for cadre exchange work. We must draw a lesson from this.

Third, it is necessary to foster the revolutionary aspiration of plain living, hard struggle, and pioneering a great cause. Plain living and hard struggle are the cherished tradition of revolution. They were required during the revolutionary war years and so are they now under the new situation of reform and opening up. Even when China's per capita GNP reaches the level of developed countries and the people can lead a comparatively well-off life by the next century, we must still stress plain living and hard struggle. Some leading cadres are no longer interested in inheriting and carrying forward the fine tradition of plain living and hard struggle. Instead of leading a plain life, they want ease and comfort. Whenever something crops up, they think first of their personal gain and loss instead of the party's cause, lacking the lofty aspiration of tempering themselves in places where conditions are hard and of pioneering a great cause. They are not willing to be transferred from places where conditions are good to places where conditions are poor, from units with a favorable environment to those with a bad environment, and from places where they are familiar to places where they are unfamiliar. In view of such circumstances, it is necessary for party organizations to conduct ideological education and give these cadres a lesson in plain living and hard struggle.

During the war years and the initial period after the PRC's founding, the proletarian revolutionaries of the elder generation and thousands upon thousands of the fine sons and daughters of the party lost their families,

shed blood, and even sacrificed their lives for the people's cause. Moreover, they gave their all to the party and were ready to make dedication in the places where they were needed, adding an illustrious and epic chapter to the annals of history. There is no lack of such examples in the new period of reform, opening up, and building socialism with Chinese characteristics. Now our socialist modernization program has developed remarkably. Our working and living conditions are far better than in the past. Do our comrades have any reason whatsoever to fear hard work and difficulties and refuse to accept the jobs assigned by the organization? The broad ranks of leading cadres, particularly the middle-aged and young cadres who have assumed leading posts in recent years, should cherish the opportunity of cadre exchange, follow Comrade Deng Xiaoping's instruction of "taking over the heroic spirit of upholding the orientation of revolutionary struggles from veteran comrades," forsake the fearful mentality, lay down the ideological burden, and go with pleasure to places where conditions are hard to temper themselves.

Fourth, while conducting thoroughgoing and painstaking ideological work, party organizations should earnestly help the newly transferred cadres solve their practical difficulties. Exchange of cadres is meticulous work. As relevant policies are not yet introduced and there are great differences between party and government organs, enterprises, and institutions, the relatives cannot be transferred for the time being together with cadres and there are also problems in assessing technical or professional titles, creating more difficulties for the work. In face of such a situation, party organizations and the departments in charge of cadre affairs should earnestly conduct ideological and political work. Regarding the cadres to be exchanged, on the one hand, it is necessary to set strict demands in light of party principles. On the other hand, it is necessary to cherish their initiative and understand their difficulties and enthusiastically help them overcome difficulties and resolve the problems in light of the circumstances and conditions of the local areas and departments so that they are free of disturbance in the rear and can assume the new duties with nothing on their conscience. To ensure that the cadre exchange work can proceed smoothly and attain the anticipated results, it is necessary to make overall arrangements, organize carefully, and pay attention to work in all fields which include ideological and political work. Despite the various forms, the exchange system must be resolutely implemented. Even in the face of difficulties, the exchange system should not become a mere formality.

Fight Against 'Peaceful Evolution' Urged

HK2801070291 Guangzhou NANFANG RIBAO
in Chinese 18 Jan 91 p 3

[Article by Huang Hao (7806 3185): "Building Our Party Into a Strong Fortress Against 'Peaceful Evolution'"—

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[Text] As our party is entrusted with the enormous historic mission of leading the people of all nationalities in the country to build socialism with Chinese characteristics, strengthening party building is a fundamental guarantee of this historic mission. How to build a stronger party with greater fighting capability? Given the new situations both at home and abroad, the party should not only be able to withstand the tests of governing, reform, and opening up, it should also be able to withstand the test posed by "peaceful evolution." This is the only way to enable our party to stand invincible amid all kinds of trials and tribulations.

I. Countering "Peaceful Evolution" Is an Important Subject in the Building of the Party.

Our party is the ruling party. Consolidation of the party's ruling position will no doubt be determined by whether the building, leadership, and work of the party have been carried out well or not. However, the effect of the international environment should not be ignored. Given the continuing existence worldwide of class struggles as well as contentions between the two ideological systems of socialism and capitalism and between two kinds of social systems, hostile forces will never abandon their attempt to antagonize and subvert the socialist system and will always resort to the dual means of armed intervention and "peaceful evolution" to achieve their political ends. When armed intervention fails, they will resort to more use of the strategy of "peaceful evolution" in order to attain their goal of "winning without a fight" "this new smoke-free world war." Hence, if the political party of the working class is to consolidate its ruling position, it should be able to withstand the test posed by "peaceful evolution." Just as Comrade Jiang Zemin has pointed out: "Hostile international forces have stepped up implementation of the 'peaceful evolution' strategy and have abetted, bought off, and cultivated anticommunist and antisocialist forces within socialist states. Events have shown that this is a continuation of the age-old confrontation and struggle between two kinds of systems and two kinds of ideologies on a worldwide scale. It is also an acute manifestation of the confrontation and struggle which have reemerged as the world undergoes a process of detente. This struggle concerns the future and fate of our people as well as those of socialism and the people of the world. Regardless of how the world pattern and balance of power may turn out, the most important task for us, Chinese Communists, is to continue with the good job of building the party and of socialist modernization." ("Struggle To Build the Party into a Stronger Vanguard of the Working Class" as published in 1990 Number 13 issue of QIUSHI) To enable our party to withstand the test against "peaceful evolution" is an important subject in the building of the party.

The serious tests posed by governing, reform and opening up, and by countering "peaceful evolution" are mutually related, mutually influential, and mutually restrictive. The strategy of "peaceful evolution" as perpetrated by Western hostile forces often finds its opening at times when the ruling Communist Party commits errors or encounters temporary setbacks, or it exercises its influences by taking advantage of reform and opening up in socialist states. They turn on all kinds of propaganda machinery and use all types of channels including economic and cultural exchanges to publicize the social and political concepts of the West, including "democracy, freedom, and human rights," propagate the decadent ideology of capitalism, carry out ideological infiltration, and fan hostile sentiments against communism and socialism. Through the use of economic "assistance" and "sanctions," they lure and force some socialist states to introduce political pluralism and economic privatization, and thus shake the foundation of socialism. Through support and buying over of "dissidents" and opposition political parties within the party and society, they cultivate their own "internal forces" with the view of subverting the socialist states. Their conspiracy of "peaceful evolution" has succeeded to a certain extent and has provided us with a profound lesson: The ability of the ruling Communist Party to withstand the tests of governing and reform and opening up cannot be separated from its ability to withstand the test posed by "peaceful evolution." Only by standing steadfast in the country and not losing sight of the world, and by enabling one's party to withstand the tests of international class struggles can the party then finally be able to do a good job in self-building and in consolidating its ruling position.

Our party is a mature party. As early as in the 1950's, it had already been vigilant and had been prepared against the strategy of "peaceful evolution" pursued by hostile international forces. At the junction between spring and summer of 1989, a political upheaval which opposed the party's leadership, sought to overthrow the socialist system, and subvert the people's republic appeared in our country. Our party adopted decisive measures to quell it and stabilize the general situation. The conspiracy of that extremely small handful of people clinging stubbornly to bourgeois liberalization in the country and supported by hostile international forces was finally defeated. Our party scored a major victory in its fight against "peaceful evolution" and also underwent a serious test. We are thus reminded that in stepping up party building, we cannot forget the class struggles on a worldwide scale and should wage a tit-for-tat struggle against the "peaceful evolution" program of hostile international forces.

Carrying out "peaceful evolution" in socialist states is an existing policy of hostile international forces. As the ruling party in a socialist state, the Communist Party should counter the attempt by transforming the struggle against "peaceful evolution," infiltration, and subversion into an important and indispensable condition to

consolidate its own ruling position. It should remain alert and vigilant and train itself to become firmer and stronger in the struggle against "peaceful evolution." Since the Fourth Plenary Session of the 13th CPC Central Committee, the party Central Committee has adopted a series of important measures to step up party building; these measures have begun to bear results. At present, a vital task in our party's ideological building is to make the entire party understand the importance and seriousness of the fight against "peaceful evolution," and conscientiously sum up the lessons and experiences from domestic and international communist movements so that the party will become theoretically more mature, ideologically more unified, politically stronger, and internally more united. At the same time, the party will be able to strengthen its ties with the people and become a strong fortress against "peaceful evolution."

II. The Fundamental Issue Lies in Upholding the Political Direction of Socialism.

How can the party be built into a strong fortress against "peaceful evolution?" The most fundamental step is to always regard the upholding of the political direction of socialism as a demand in party building. Socialist direction has a rich connotation and involves all domains in politics, economics, ideology, and culture. Generally speaking, it means adherence to the four cardinal principles in terms of politics and ideology, and a resolute opposition to bourgeois liberalization. This is primarily manifested in the following four aspects:

1. Upholding Marxism and Mao Zedong Thought as the guiding ideology of the party. To adhere to the socialist direction, it is necessary, first of all, to uphold the doctrines of Marx and Engels and their extensions—Leninism and Mao Zedong Thought—as the party's guiding ideology. In addition, it is imperative to step up party building, strengthen and improve the party's leadership, and adhere to socialist direction in order to obtain a solid ideological foundation. At present, hostile international forces have been trying hard to debunk the scientific nature of Marxism, claiming that the doctrine of communism was something "borne out of deep broodings" in libraries and that the communist movement was "a Utopian-style social project" "imposed on society." Meanwhile, the people who cling to a bourgeois liberal stand in the country also spared no effort to either proclaim the "outdatedness" of Marxism or relegate Marxism into "just another school of thought." All these were attempts to take away the guiding ideology of the working class's political party and the theoretical foundation of socialism through refutation or degradation of Marxism. They were also attempts to deny the inevitability of the Communist Party's leadership as well as the existence of the socialist system. However, the light of truth cannot be blotted out. The general trend in world development has already proven: The law of social development as expounded by scientific socialism is correct. The replacement of capitalism by socialism cannot be altered by human will. The building of the socialist cause can only be undertaken under the leadership of the

Communist Party. In upholding the guidance of Marxism, it is necessary to integrate Marxism with the realities in China's revolution and construction. Facts have shown: The cause of revolution and construction develops during periods where integration is carried out well. Otherwise, the party's cause will suffer setbacks. Hence, we should correctly sum up the successful experience drawn from the Third Plenary Session of the 11th CPC Central Committee. It is necessary to oppose the trend of bourgeois liberal ideas which oppose ossification and advocate development of Marxism in name but refute Marxism in fact; at the same time, it is imperative to continue to emancipate the mind, insist on seeking truth from facts, oppose subjectivism and metaphysics, strive to sum up new practical experiences and raise them to a theoretical level, and continue to advance Marxism.

2. Politically, it is necessary to uphold the party's leadership. To uphold the party's leadership, the most fundamental step is to integrate the realities in China with the basic principles of Marxism, formulate guidelines, principles, and policies which conform with the conditions in China, exercise political, ideological, and organizational leadership in all socialist endeavours, and adhere to socialist direction in all domains. To uphold the party's leadership and see to it that the styles of the party's leadership and activities adapt to the new situation, it is then necessary to wipe out the influence of bourgeois liberal ideas in party-building endeavours and criticize the various fallacies advocated by those engaged in bourgeois liberalization, such as "political pluralism" and "multiparty system." In particular, it is necessary to build a team of cadres which is loyal to Marxism in order to ensure that leadership at all levels will be held in the hands of people loyal to Marxism. This is the way to guarantee that the party will take control of the situation and uphold socialist direction in the midst of a complex environment.

3. Economically speaking, it is necessary to insist on the public ownership system as the principle feature. The contrast of the public and private ownership systems is a concentrated reflection of the essential differences in the two kinds of social systems. Upholding the socialist system of public ownership as the principal feature forms the core of all efforts to adhere to socialist direction. Consequently, it is necessary to handle well two kinds of relationships: One is the relationship between the "principal feature" and "supplementary features." While upholding the dominant role of the public ownership system, it is also necessary to allow the existence of supplementary elements of individual and private economies which are beneficial and essential in the socialist economy, but only on the premise that they do no harm to the dominant position of the public ownership system. Two is the relationship between upholding the public ownership system and reforming its economic form. Under the premise of upholding the public ownership system, it is necessary to deepen the structural reform of

the economy under a public ownership system so that the relations of production will adapt better to the level of productive forces.

4. In terms of ideology and culture, it is necessary to build socialist spiritual civilization with communist ideology as its nucleus in the entire society. Socialist spiritual civilization is the guarantee for adherence of the socialist direction. It also constitutes one of the fundamental differences with a capitalist society. Socialist spiritual civilization is a multilevel civilization. Hence, it is necessary to handle well the following six types of relationships under the premise of communist ideology as the nucleus: One is to dialectically unify the ideal to realize communism with the common ideal at the present stage to "achieve the four modernizations and revitalize the Chinese nation"; two is to unify the promotion of the communist spirit of selfless sacrifice with the promotion of the spirit of patriotism and collectivism; three is to integrate the cultivation of communist ideals, morals, and sentiments with the preservation of social ethics and effective promotion of civilized manners and behavior in the entire society; four is to integrate the propagation of the nation's excellent culture with absorption of useful foreign ideas and cultures; five is to unify the building of ideological and moral values with the vigorous development of education, scientific research, culture, sports, and other causes and the building of facilities; six is to integrate the building of socialist spiritual civilization with the firm resistance of the corrosive influence of the ideologies of the bourgeoisie and other exploitative classes, elimination of the influences of all reactionary and wrong ideas, and smashing of the "peaceful evolution" plot carried out by hostile international forces in order to further consolidate and develop the ideological and cultural fronts of socialism.

The upholding of the political direction of socialism cannot be a smooth venture. A struggle between the two lines will have to be waged. While reforms are necessary, it is also imperative to oppose any deviation from the socialist direction. The correct socialist direction should be upheld in summing up positive and negative experiences. Therefore, it is necessary not only to make a clean break with bourgeois liberal proposals and "democratic socialism" in actual practice, especially in carrying out reform and opening up, but it is likewise necessary to make a clean break with the old set of "leftist" theories and ideologies, and always advance along the path of socialism.

III. The Key Lies in a Comprehensive and Correct Implementation of the Party's Basic Line.

The question of party building has always been closely linked to the party's political line. To build the party into a strong fortress against "peaceful evolution," the key lies in ensuring that the party's fundamental line of "one center and two key basic points" is carried out comprehensively and correctly in terms of ideology, organization, and style. Based on actual experiences, four types of

relationships should be handled well in order to fully understand and correctly implement the party's fundamental line:

One is to handle well the relationship between "one center" and "one existence." Not only is it necessary to insist on economic construction as the core, it is also imperative not to overlook "the long term existence of class struggles within a certain scope," including the existence of international class struggle within a certain scope. In view of the existing antagonism and struggle between two kinds of social systems and ideologies internationally, and given that the domestic economic development has not attained the level of those of the world's developed countries and that the breeding ground for ideas and influences of exploitative classes continue to exist, class struggles within the country and on a worldwide scale will be inevitable. The question of who triumphs over who remains unsolved. Earlier, errors committed in this area by individual leaders in the central authorities have caused certain party members and cadres to gradually forget the "protracted existence of class struggles within a certain scope" and enabled the proliferation of bourgeois liberal ideas, culminating eventually in that political upheaval which rocked the entire country in 1989. In summing up this lesson, we should definitely not go from one extreme to another extreme, and regard the "center" and "existence" in isolation. Rather, we should handle the relationship between the two correctly by linking them together. Regarding the "center," we should be resolute, and, as Comrade Deng Xiaoping has repeatedly stressed, "be firm," "steadfast, and intransigent." "Even if a large-scale war should erupt, we should continue the endeavor or renew it after the fighting is done." ("Selected Works of Deng Xiaoping 1975-1982", page 213) If the "existence" is ignored and bourgeois liberal ideas allowed to proliferate and culminate into a riot which disrupts social stability, then what Comrade Deng Xiaoping has pointed out will occur: "Nothing can be accomplished." Without any guarantee for the realization of the "center," talk is useless.

Two is to handle well the relationship between "one center" and "two basic points." Historical experience tells us that the growth and prosperity of socialist economy is a manifestation of the superiority of socialism as well as the foundation for social stability. Unless the "center" is highlighted and fulfilled, the upholding of the two basic points would be meaningless. Yet the growth and prosperity of socialist economy depends on political guarantees and structural adaptation. Hence, it would also be impossible to highlight and fulfill the "center" without adhering to the two basic points. We cannot absolutely separate the "one center" and the "two basic points." Presently, the emphasis on stability above all else, opposition to bourgeois liberalization, and doing a good job of economic improvement and rectification do not mean the dropping of the "one center." On the contrary, they are intended to highlight and fulfill the "one center" in order to provide for an excellent political and economic environment.

Three is to handle well the intrinsic relationship of the "two basic points." The upholding of the four cardinal principles and the upholding of reform and opening up are dialectically one; the two are interdependent, intertwined, boost each other, and are mutually restrictive. The four cardinal principles constitute the cornerstone in nation-building. By deviating from them, the reform and opening up will veer away from the socialist direction. The reform and opening up points to the road toward a strong country. If reform and opening up is not introduced, the state of enclosure not smashed, the advanced science and technology from foreign countries not absorbed, and foreign capital not brought in, then the development of the forces of production would be hampered. In the final analysis, it will not be possible to uphold the four cardinal principles in a very effective way. Hence, the two basic points should not be abolished.

Four is to handle well the relationship between taking control of reform and opening up and adhering to the socialist direction. Facts have shown that on the question of reform and opening up, there exist two diametrically opposed proposals. We want to carry out reform and opening up which adheres to the socialist direction, while the people engaged in bourgeois liberalization advocate "total Westernization": That is, privatization in economics, pluralism in politics, and liberalization in ideology and culture. We should draw a clear line to distinguish the two. Consequently, in the process of reform and opening up, it is necessary to steadfastly oppose bourgeois liberalization. A noted person in the Western political circles once asserted that "all efforts should be exerted to insert as much truth as is possible through the door" while our country is implementing reform and opening. The "truth" they refer to is bourgeois ideals and value concept. It is clear then that the more extensively reform and opening up is carried out, the more necessary it is to be vigilant against political, ideological, and cultural infiltration by hostile international forces in order to ensure that the reform and opening will advance toward the direction of a self-improving socialist system.

In brief, to ensure the comprehensive and correct implementation of the party's fundamental line and to adhere to the socialist direction, it is imperative that one "center" is not sidelined, the one "existence" is not forgotten, and the two basic points are not abolished.

IV. The Struggle in the Ideological Domain Should Be Given High Importance and Conducted Correctly.

The ideological domain is an important battlefield in the struggle between corrosion and anti-corrosion, evolution and anti-evolution, and subversion and anti-subversion. If the party is to be built into a strong fortress against "peaceful evolution," then the struggle in the ideological domain must be given high importance and be waged correctly.

1. Understanding and waging a struggle in the ideological domain is necessary in the effort to strengthen the party's ideological building and oppose "peaceful evolution." We should firmly take the initiative in this struggle. The definition of "peaceful evolution" is to induce the internal decay of socialist countries by nonviolent means. The decay first takes place in the ideological domain. This struggle will necessarily be reflected inside the party. On this, the Western bourgeoisie has exerted all efforts and left no stone unturned. They had once publicly declared that the root of the struggle lies in ideology. If defeated in the ideological struggle, all the weapons, treaties, trade, foreign aid, and cultural ties would be meaningless. Large numbers of facts have shown that they are resorting to every means available in order to export their bourgeois political, social, and moral values through ideological and cultural infiltration, and destroy the spiritual pillar of the people of socialist states. Then they will be able to achieve their objective of "peaceful evolution." Confronted by their offensive, we should give tit for tat, carry out resistance, criticism, and counterattack, and take the initiative to fight well in this "smoke-free war." Otherwise, it will lead to ideological confusion within the party and society and the loss of the Marxist ideological front and finally, decay of the party and subversion of the socialist regime.

—Three fundamental issues in the ideological domain should be clarified. While the contention between capitalism and socialism in the ideological domain covers all aspects, the fundamental issues of the struggle are reflected in three areas: One is whether or not the replacement of capitalism by socialism is an objective law of social development. Two is which one is superior: the socialist system or the capitalist system. Three is which one is more advanced: the concept of socialist values or that of capitalist values. Confronted by the attacks and fallacies from Western hostile forces on these major issues, we should make a clear-cut and scientific response. This is the only way to make the party members and cadres firmly believe in the law of social development, strengthen their socialist conviction, and uphold the socialist direction.

—The three weapons used by Western hostile forces to carry out their assault in the ideological domain, namely "democracy, freedom, and human rights," should be smashed, while the bourgeois concept of values and its influences should be criticized and eliminated. Important people in the Western political circles have boasted that these three "weapons" will be used to force socialist states into a passive position in the ideological struggle. These were the "ideological weapons" which they applied to carry out peaceful infiltration of socialist countries; they are the same "weapons" employed to spread "democratic socialism" in East Europe and used by those engaged in bourgeois liberalization to stir up an upheaval in our country. Therefore, if we are to gain the initiative in the ideological struggle, we will have to clearly

expound the proletarian viewpoints on democracy, freedom, and human rights and intensely criticize the hypocrisy and reactionary nature of the "democracy, freedom, and human rights" advocated by the Western bourgeoisie. At the same time, it is necessary to emphatically criticize capitalist value concepts such as "money above all else," "materialism" and "freedom of exploitation" and eliminate their influences. This is especially important in view of the development of a planned commodity economy under socialism.

—Three kinds of reactionary and wrong ideas should be firmly resisted in the ideological domain, namely bourgeois liberal ideas, pornography, and return of feudal superstitions. These "three trends" are the result of the corrosion caused by bourgeois ideas and by lingering feudal influences in our country. They are also the principal manifestation of the current ideological struggle. It is necessary to use this ideological weapon of Marxism to carry out in-depth analyses and criticism in all aspects of social, political, human, and moral outlooks. Resistance to the "three trends" concerns the entire society and, more particularly, the entire party. The party organizations and party members should play an exemplary role. Only by eliminating the "three trends" can there be a guarantee that the socialist ideology will grow healthily and that the party's ideological building will develop soundly.

—Advanced ideas should be promoted in the entire society, with special emphasis on the six kinds of spirit. In waging the struggle in the ideological domain, "destruction" and "construction" should be integrated. At the same time that the "three problems" are being firmly clarified, the three "weapons" being smashed, and the three ideological "trends" being resisted, advanced ideas should be vigorously promoted in the entire society and notably inside the party. Emphasis should be placed on the promotion of the six kinds of spirit, namely: the spirit of patriotism, collectivism, selfless sacrifice, seeking truth from facts, pioneering spirit, and spirit of hard work. These six kinds of spirit embody the communist ideals as well as the spirit of the times: reform and progress. They also represent the fine traditional spirit of the Chinese nation and meet the need for a spiritual civilization in a socialism with Chinese characteristics. Promotion of these six kinds of spirit will also mean a more effective resistance of the three erroneous ideological "trends" and a replacement of bourgeois value concepts by proletarian value concepts. At the same time, it means that the struggle against corrupt phenomenon will be waged to the end and will then bring about a positive, healthy, and progressive social environment.

2. Implement the party's policies in the ideological domain, make a clear distinction between right and wrong, and raise the level of struggle. A clear distinction must be made about the nature of ideological struggle and proper attention paid to relevant policies. It is

necessary to strongly criticize and struggle against reactionary and wrong ideas. At the same time, a serious distinction between the two different categories of contradictions should be made and three clear lines drawn: One is to draw a line distinguishing political and ideological problems, two is to draw a line differentiating hostile, anti-Marxist, anti-Leninist ideology and erroneous non-Marxist, non-Leninist ideology, three is to draw a line distinguishing erroneous ideas and ordinary academic ideas. As these three lines often cross each other in different domains, it is very difficult to identify them absolutely clearly in practice. However, it is possible to make the distinction based on their general character. Extra caution is necessary regarding the criticism of people. It is absolutely forbidden to engage in "total severance" or "generalization." In other words, care must be taken not to let one tendency camouflage another tendency. Rightism should be avoided when criticizing "leftism," and "leftism" avoided when criticizing rightism.

3. Several relationships in the ideological struggle should be handled well. One is to handle well the relationship between upholding and developing Marxism. To uphold Marxism is to abide by the fundamental stand, viewpoints, and methods of Marxism, while to develop Marxism is to study the practical problems in socialist construction under the guidance of the fundamental stand, viewpoints, and methods, resolve new contradictions, and sum up new theories. This is not only a glorious but arduous task confronting our party, but it is also a demand for it to make new contributions to the international communist movement.

Two is to handle well the relationship between upholding and fostering communist ideals while implementing the party's economic policies at this stage. To wage a struggle in the ideological front, it is necessary to criticize bourgeois liberal ideas. At the same time, it is necessary to draw the line separating it from the party's prevailing economic policies at this stage. The present policy which allows the existence of various economic elements dominated by the public ownership system and the existence of various forms of distribution dominated by distribution according to labor was formulated based on the level of productive forces in the preliminary stage of socialism in our country. It should not be regarded as capitalism and be criticized as such. All that is stipulated and permitted by the party's policies at this stage should be resolutely carried out.

Three is to handle well the relationship between upholding the ideological struggle with implementation of the party's policy on intellectuals. The question of

ideology is closely tied with the question of intellectuals. To handle correctly the questions involved in the ideological struggle, it is important to have a correct assessment of the conditions of our country's intellectuals and to adopt correct policies. Our country's intellectuals are already a component part of the working class. They constitute an important force in the socialist modernization endeavor guided by our party and are also the backbone in the building of socialist civilization. A great majority among them were trained by the party and they support the four cardinal principles as well as reform and opening up. They have performed well and continue to make contributions to the modernization endeavors. Owing to the continuing existence of class struggles within a certain scope in the country, the contention internationally between two systems and two ideological bodies will not end in the short term period. The struggle between corrosion and anti-corrosion, evolution and anti-evolution, and subversion and anti-subversion will exist for a long while. Consequently, some people within the ranks of the intellectuals who have not totally reformed their world outlook and who do not have a strong stance will inevitably fail in the test. A very small handful even became advocates of bourgeois liberalization, while others deteriorated to become members of the hostile international forces' commandos engaged to carry out "peaceful evolution." This should not make us waver in our assessment of the political and ideological conditions of the entire intellectuals' rank. Generally speaking, we should be full of confidence in the intellectuals, rely on them as well as realistically step up their education, and give them assistance so that they will be tempered and upgraded in the course of building the two civilizations. As for those who have been influenced by bourgeois liberal ideas and have made wrong statements, they should enhance their understanding through studies in order to overcome their mistakes. This way, our party will be able to unite the majority and consolidate as well as expand the socialist ideological fronts in the ideological struggle.

The world today is an open one. The socialist system will be perfected in the course of reform and opening up. Similarly, in leading the people of all nationalities around the country to carry out socialist modernization and implement reform and opening up, our party will continue to enhance its ability to resist and oppose "peaceful evolution," genuinely withstand all kinds of serious tests, acquire greater cohesiveness and fighting power, become a strong fortress against "peaceful evolution," and make its own necessary contributions to the international communist movement as well as to the peoples of the world.

East Region

Anhui Province Publicizes 7th Plenum Guidelines

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[Excerpts] Recently, the provincial party committee's propaganda department issued a circular to propaganda departments at all levels throughout the province on studying and publicizing the guidelines of the Seventh Plenum of the 13th CPC Central Committee. [passage omitted]

The circular put forward the following requirements:

1. Propaganda departments at all levels should guide cadres and masses in fully absorbing the documents, and help deepen their understanding of the spiritual essence of the guidelines of the Seventh Plenum of the 13th CPC Central Committee. The general guiding thought of the Proposals of the CPC Central Committee for Drawing Up the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development, adopted by the Seventh Plenum of the 13th CPC Central Committee, is the "five aspects of firmness," namely, firmly follow the road of building socialism with Chinese characteristics; firmly push forward reform and opening to the outside world; firmly implement the principle of developing the national economy in a sustained, stable and coordinated manner; firmly follow the principle of self-reliance, hard struggle, and building up the country through thrift and diligence; and firmly implement the principle of promoting both the development of material and spiritual civilization.

The "five aspects of firmness" are a correct analysis and summation of the practical experiences gained at home and abroad since the Third CPC Central Committee, and are the guiding principles that must be followed to accomplish the two-step strategic goal. We must deepen our understanding of these principles by combining theory with practice, and use them to unify our thoughts and actions. [passage omitted]

2. Propaganda departments of party committees at all levels should use the guidelines of the Seventh Plenum of the 13th CPC Central Committee to unify the understanding of cadres and masses in connection with the present situation. This is the precondition for mobilizing the whole party to fulfill the 10-year program and the "Eighth Five-Year" plan. To correctly understand the situation, we first must realize that in the 1980's, under the leadership of the party Central Committee with Comrade Deng Xiaoping at the core, our party formulated and implemented the basic line, principles, and policies for the initial stage of socialism; opened up a new horizon for socialist modernization, reform, and opening to the outside world; accomplished the first-step strategic goal; scored achievements that had drawn worldwide attention; accumulated a lot of experiences; and laid a solid groundwork for scoring new and greater successes in the next 10 years. [passage omitted]

In studying and publicizing the guidelines of the Seventh Plenum of the 13th CPC Central Committee, we should fully realize the achievements already made, be aware of the favorable conditions, and bolster our confidence in making continued advance. We should also see the difficulties that lie ahead, face them squarely, lift up our spirits, and overcome them. In analyzing the situation, we should review the past while making plans for the future, defining the goal of struggle. We should understand the importance and arduous nature of accomplishing our tasks in the future, and formulate the specific goals of struggle and adopt feasible measures accordingly.

3. Under the guidance of the guidelines of the Seventh Plenum of the 13th CPC Central Committee and the third plenum of the fifth provincial party committee, all departments and units should study and formulate their own work plans and specific details, so that overall development is closely tied to reform and opening to the outside world. In formulating plans, they should follow the guiding principles, the "five aspects of firmness," presented in the proposals; fully understand the conditions in the province, prefectures, cities, and counties; take account of the practical work in their own localities and departments; and ensure that the plans conform to the realities of the respective localities, departments, and units.

4. By studying and publicizing the guidelines of the Seventh Plenum of the 13th CPC Central Committee, we should further consolidate unity, especially the unity of leading bodies at all levels. This is the key to enforcing the guidelines of the Seventh Plenum of the 13th CPC Central Committee and smoothly implementing the 10-year program and the "Eighth Five-Year" plan. Party unity, especially unity of the leadership at all levels, is of overriding importance. It is a decisive link for ensuring social stability and success of our cause. As long as the core leadership at all levels is united, and the whole party is united, we can more closely unite the people of all nationalities throughout the country, our country will be as firm as a rock, and our socialist cause will prevail. Leading bodies at all levels should highly value and safeguard unity and further reinforce their cohesive and fighting power.

5. In studying and publicizing the guidelines of the Seventh Plenum of the 13th CPC Central Committee, party member-cadres at and above the county level should take the lead and set good examples. We should set a period of time and organize leading cadres to study the proposals adopted by the Seventh Plenum of the 13th CPC Central Committee, Comrade Jiang Zemin's important speech, and Comrade Li Peng's explanation of the proposals draft; and study the important speech and report, delivered, respectively, by Comrade Lu Rongjing and Comrade Fu Xishou at the third session of the fifth provincial party committee, on implementing the guidelines of the Seventh Plenum of the 13th CPC Central Committee. Party member-cadres should also spend some time studying the guidelines of the Seventh

Plenum of the 13th CPC Central Committee as well as the documents of the third session of the fifth provincial party committee, and publicize these among the masses. They should make sure that the study of the guidelines of the Seventh Plenum Session of the 13th CPC Central Committee is carried out in close connection with the on-going study of socialism among cadres, the education on the "two basics" [the party's basic line and China's basic conditions] among workers of enterprises, and the socialist ideological education in rural areas. They should gradually intensify study activities, pay attention to practical results, and truly achieve the objective of enhancing understanding and unifying thoughts.

6. Newspapers, radio and television, and other types of mass media should vigorously publicize the guidelines of the Seventh Plenum of the 13th CPC Central Committee. Newspapers can begin special columns, and radio and television stations can air feature programs to bring the guidelines into all households so that everyone will understand them. They also should promptly report on the practical actions taken by the various localities in implementing the guidelines. After the 10-year program and the "Eighth Five-Year" Plan are adopted by the National People's Congress, all press units should promptly organize efforts to publicize them, and urge the people throughout the province to work hard to fulfill the 10-year program and the "Eighth Five-Year" Plan.

7. We should give prominence to economic construction, further increase and improve economic propaganda in our province. In light of the practical situation in our province, we should publicize the economic situation and policies; publicize the economic improvement and rectification drive and the efforts to deepen reform; and publicize the development of the socialized service network in rural areas as well as the development and opening of Wanjiang. We should further uphold the principle of doing positive propaganda, step up propaganda by using models of positive examples, bring up and commend advanced models on all fronts, encourage uprightness, inspire the will to fight, lift up spirits, bolster the confidence of cadres and masses to forging ahead despite difficulties, and create a sound environment for the mass media to fulfill the tasks laid down by the Seventh Plenum of the 13th CPC Central Committee and the third session of the fifth provincial party committee.

Jiangsu Government Promulgates Technology Policy
OW2701121691 Beijing XINHUA Domestic Service
in Chinese 1225 GMT 26 Jan 91

[By XINHUA reporter Xu Jiling (1776 2623 3781)]

[Text] Nanjing, 26 Jan (XINHUA)—The Jiangsu Provincial Government today promulgated a technology policy in 17 sectors as a major measure in "promoting the province's development through science and technology."

At the news briefing, Deputy Governor Gao Dezheng, of Jiangsu Province, said: Jiangsu is a province where the

processing industries are predominant. The "tendency toward a uniform structure" is a major shortcoming of Jiangsu's industrial development. With a view to rationalizing the industrial structure and promoting technical progress, Jiangsu's scientific, technological, and economic departments have enlisted over 100 experts and, after two years of in-depth research, have formulated a technology policy in 17 sectors including agriculture, machine-building, electronics, petrochemicals, textiles, silk, metallurgy, light industry, construction materials, energy, communications, urban and rural construction, environmental protection, telecommunications, information, biology, and new materials. This technology policy, formulated pursuant to the relevant provisions of the state industry and technology policies in light of Jiangsu's realities, and based on a scientific selection of technologies, clearly outlines rational structures in the various sectors and lists the suitable advanced technologies to be developed on a priority basis as well as those backward technologies to be restricted or phased out during the years between 1990 and 2000. The policy will play a positive role in guiding the province's industrial structural adjustment.

To ensure smooth implementation, the technology policy sets forth the technical and economic targets to be achieved in the 17 sectors by 2000 and measures to achieve them.

Jiang Chunyun Addresses Nonparty Personnel Forum
SK2701050091 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 25 Jan 91

[Text] On the afternoon of 25 January, the Shandong Provincial CPC Committee sponsored a forum at the Nanjiao Guesthouse with the participation of nonparty persons, soliciting their opinions on revising the draft guidelines of the 10-year plan and the Eighth Five-Year Plan.

Attending the forum were leading comrades, including Jiang Chunyun, Zhao Zhihao, Li Zichao, Lu Maozeng, Ma Zhongcai, and Li Chunting; nonparty persons, including Yan Qingqing, Xu Wenyuan, (Wang Zilong), Yang Da, and Wu Minggang; as well as responsible comrades from the party committees of various democratic parties and from the provincial industrial and commercial federation.

Jiang Chunyun, secretary of the provincial party committee, presided over the forum and delivered a speech in which he stated that formulating the province's 10-year plan and the Eighth Five-Year Plan represents a large project which involves various social circles. Therefore, it is necessary to hold repeated discussions about them and to pool the wisdom of the masses. We wish nonparty persons to get their opinions off their chests, to speak out freely, to offer their ways and means, to put forward more opinions and suggestions so as to further do a good job in revising these draft guidelines of the plans which have been in the making for more than six months.

During the forum, the participating nonparty persons enthusiastically voiced their opinions and unanimously contended that these draft guidelines of the plans are in conformity with the spirit of the Seventh Plenum of the 13th CPC Central Committee and with the province's actual situation and are also inspiring and good documents with clear direction, overall contents, effective measures, and reasonable targets. They display the grand blueprint of the province's 10-year development in politics, the economy, and culture.

During the forum, the participating nonparty persons, in line with the spirit of being highly responsible, put forward many opinions and suggestions on revision. Comrade Jiang Chunyun extended a welcome and thanks for these opinions and suggestions on behalf of the provincial party committee and the provincial People's Government. He stated that after the forum, the provincial authorities would adequately revise the draft guidelines of the plans in line with these opinions and suggestions and submit them to the sixth enlarged plenum of the fifth provincial party committee for examination and approval. He urged the responsible personnel of democratic parties and nonparty persons, after fixing the 10-year plan and the Eighth Five-Year Plan, to continuously bring their own strong points into play; and to make new contributions to helping the party committees and governments at all levels implement these plans, to further deepening the reform drive and expanding the open policy, and to promoting the development of the province's program of building the two civilizations.

Central-South Region

Guangzhou Executes 'Scores' of Felons

HK2701035091 Beijing ZHONGGUO XINWEN SHE
in Chinese 1200 GMT 26 Jan 91

[Report: "Guangzhou Severely Punished Felons at the Beginning of the New Year"—ZHONGGUO XINWEN SHE headline"]

[Text] Guangzhou 26 Jan (ZHONGGUO XINWEN SHE)—Guangzhou Intermediate People's Court and the district and county people's courts under its jurisdiction openly passed capital penalty on a number of felons simultaneously this morning, who were immediately taken to the execution ground and shot. This was Guangzhou's first large-scale crackdown on criminal activities this year.

This batch of felons given the death penalty were involved in 33 cases of planned murder, robbery, rape, and major theft. The majority of them were local residents and had earlier been subjected to reform or reeducation through labor.

Guangzhou's relevant official stated that social order remains an outstanding social problem today. Especially

conspicuous criminal activities last year were ganged-up theft, robbery, and murder for money.

Deng Guoji [6772 0948 7353], Guangzhou Intermediate People's Court president, said that the court will continue to severely crack down on felonies; the concentrated execution of scores of felons this time has demonstrated the court's determination.

Article Views Degeneration of Bank Director

HK2501135191 Guangzhou NANFANG RIBAO
in Chinese 12 Jan 91 p 1

[Article by staff reporter Li Xiliang (2621 1585 0081): "From a Bank Director to a Prisoner: Thought on Gao Senxiang Degenerating Into a Criminal Involved in a Particularly Serious Bribery Case"]

[Text] In as little as more than one year's time, Gao Senxiang, director of the Shenzhen branch of the China International Trust and Investment Corporation Industrial Bank, made use of his position to take bribes, including 662,300 yuan of renminbi, 1,689,000 Hong Kong dollars, and \$5,000. He thus became a criminal involved in the biggest bribery case of the country. At a news briefing held by the Shenzhen People's Procuratorate yesterday afternoon, the relevant department announced that with the approval of the Shenzhen City CPC Committee, Gao Senxiang was expelled from the party. It was also suggested that he should be discharged from public employment.

How did this cadre at the deputy departmental level degenerate into a criminal involved in the particularly serious economic case?

Gao Senxiang was appointed director of the Shenzhen Branch of the China International Trust and Investment Corporation Industrial Bank in June 1988. We must say that prior to this, Gao Senxiang had followed rules and orders docilely in his work. But after he became the director, he thought he could use this opportunity to reap some profit.

In December 1988, with his approval, the Shenzhen Fanxin Chemical Industrial Limited was obtained a loan amounting \$2.8 million. To express their thanks to Gao Senxiang, Chen Minxian, vice president of the company (who has already been arrested), presented him a special gift—8,000 yuan of renminbi wrapped in red paper—in January 1989. Although at first Gao Senxiang pretended not to receive it, he was unable to resist the seduction of money. He finally put it in his pocket.

At that moment, it seemed to him that there was nothing wrong in receiving the illicit money since he had approved the loan. In March the same year, Chen Minxian went to see Gao Senxiang again, saying that he intended to borrow \$3.2 million from a Hong Kong company and wanted the Shenzhen Branch of the China International Trust and Investment Corporation Industrial Bank to provide credit assurance for it. On hearing

this, Gao said "no" at first and then agreed to "take the matter into consideration." On 5 March, Chen Minxian went to see him again. This time, Gao Senxiang said without disguise: "If I provide the credit assurance, what will I get in return?" Chen said immediately that he could give him 1 million Hong Kong dollars as "commission." Thus, the deal was made the next morning: Gao Senxiang signed an irrevocable "bank warranty" to a Hong Kong branch of the Bank of Commercial Credit.

After that, Gao Senxiang's selfish desire continued to grow. In the first half of that year alone, he took bribes totalling 250,000 yuan of renminbi, 1,138,000 Hong Kong dollars, and \$5,000.

Being an upstart, he ate all kinds of delicacies from land and sea and he wore brand-name Western coats and imported leather shoes. He often spent several thousand yuan for a meal in high-class restaurants. Although he had been allotted a luxurious flat by the bank, he was still unsatisfied with it and bought another flat in Shenzhen with the illicit money. He also asked the bribers to build a house in his home village in Meixian County.

Apart from that, he had cohabitated with many women. Once when he wanted to part with one of them, the woman demanded a compensation of 600,000 yuan. Then, Gao asked a person in charge of the loans department to give her 230,000 yuan.

Gao Senxiang, who had taken bribes by means of providing loans, finally became a criminal. What are the lessons we should draw from his degeneration? In Gao Senxiang's own words, "after I was promoted to a higher position, as I was no longer supervised by any other persons, I unconsciously fell captive to bourgeois ideology." Indeed, there were reasons for it. Since the Shenzhen branch of the China International Trust and Investment Corporation Industrial Bank was established, there is not a party group nor a deputy director there. This provided Gao with an opportunity to do whatever he liked.

Another important reason was the neglect of political study and ideological transformation. Although he was a party member for many years, he had never participated in political study. That is why the decadent bourgeois ideas had broken through. Just as he said: "Now that I have power in hand, it is my turn to enjoy." This is also a crucial reason for his crime.

Shenzhen To Continue Stock Market Experiments
OW2801154391 Beijing XINHUA in English
1428 GMT 28 Jan 91

[Text] Shenzhen, January 28 (XINHUA)—The continuation of efforts to pursue enterprise stock reform and stock market experiments has been designated as a major aspect of Shenzhen's economic work this year, a local government official stressed recently.

The Shenzhen Special Economic Zone is one of two cities in China which are pioneering stock market experiments. By now nearly 200 enterprises in Shenzhen have adopted a stock system, of which five publicly sell their stocks on the market. It is learned that the five enterprises earned higher profits than other enterprises last year.

XINHUA learned that last year the total stock trading volume in Shenzhen reached 1.765 billion yuan-worth.

The official revealed that this year a series of steps will be taken to promote the stock markets. One of the methods is to reform the exchange system, turning the present system of exchange by individual stockbrokers to a centralized stock exchange, so as to guarantee fair trading; another method is to reform the management system of stock exchange, turning the present administrative management to indirect management on the basis of law, so as to alleviate the administrative influence on stock prices.

Reform of the enterprise stock system will also be pushed to a higher stage. Shenzhen plans to transform a group of large and middle-sized foreign-oriented enterprises to stock enterprises, and stock will be allowed to be sold on the market.

The reform is expected to improve the flexibility and competitiveness of the city's economy, the official said.

Guangxi Establishes Zhuang Study Society
OW2601074991 Beijing XINHUA in English
0446 GMT 26 Jan 91

[Text] Beijing, January 26 (XINHUA)—A society for the study of the Zhuang nationality has recently been established in this capital of Guangxi Zhuang Autonomous Region.

The Guangxi Society for Zhuang Studies will conduct systematic studies on the historical evolution, politics, economy, culture, education, religion and science and technology of the Zhuang nationality. The society will also explore its social, historical and cultural features as well as its relations with other nationalities.

Societies for the studies of the Tibetan, Mongolian and Manchu nationalities have already been set up in the country.

Hainan's Deng Hongxun Relays 7th Plenum Spirit
HK2801082091 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 23 Jan 91

[Text] Yesterday afternoon [23 Jan], the provincial CPC Committee held a meeting in the First Meeting Hall. Deng Hongxun relayed the spirit of the 13th CPC Central Committee's Seventh Plenum to retired veteran cadres in the Haikou area, who enjoy the third kind of treatment, and the spirit of the First Hainan Provincial CPC Committee's Fifth Enlarged Plenum.

More than 400 veteran cadres including Zhao Guangdi, chairman of the provincial Veteran Cadres' Association, and member of the CPPCC National Committee; and Ma Baishan, former commander of the Hainan Provincial Military District, attended the meeting. At the meeting, Deng Hongxun extended his cordial greetings to participating veteran cadres.

Henan Journalists Urged To Propagate 7th Plenum

HK2601020191 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 22 Jan 91

[Excerpts] Yesterday afternoon [22 January], at a journalist cadres' study class run by Propaganda Department under Provincial CPC Committee and provincial Journalist Association, provincial party Deputy Secretary Wu Jichuan made a speech on doing journalist and propaganda work well during the new period.

He said: Propagating the spirit of the seventh plenum in an all-round, accurate and profound way is a top priority task of journalist propaganda. The Seventh Plenum of the 13th CPC Central Committee is an important meeting of summing up the past, and initiating the future. It is also an important meeting on mobilizing the entire party and people of various nationalities throughout the country to struggle hard to achieve the strategic targets of the second stage in our socialist modernization drive. We must conscientiously study and profoundly comprehend the spirit of the seventh plenum, and regard the propaganda and implementation of the spirit as a important task of our journalist units, and truly grasp it well. Through propaganda, we will enhance the understanding of the broad masses of cadres and people of the importance of the seventh plenum, and enable them to realize the important tasks they are shouldering, so that they will concentrate their efforts on economic construction, and strive for the fulfillment of the strategic targets of the second stage.

Wu Jichuan pointed out: To study and propagate the spirit of the seventh plenum, we must profoundly understand the overall arrangements of the 10-year program and the Eighth Five-Year Plan. We must understand our targets of struggle, and strategic tasks, and a series of important guiding principles and policies for building socialism with Chinese characteristics.

He added: While propagating the spirit of the seventh plenum, propaganda work of newspapers, radio broadcasting and television must reflect more consciously and effectively the idea of taking economic construction as a center, and further strengthen and improve their propaganda on economic work. Journalist workers of the whole province must continue to propagate and implement the spirit of the fifth provincial party congress in conjunction with the study and propaganda of the spirit of the seventh plenum to implement the general guiding ideology of the provincial CPC Committee on promoting unity, advancing courageously, and invigorating

Henan. They must inspire the enthusiasm of the people of the whole province to promote various undertakings. [passage omitted]

He urged party committees at all levels to strengthen their leadership over journalist propaganda work. Journalist propaganda workers must consciously submit themselves to the party leadership. Journalist units at all levels must strengthen their own building to constantly enhance the quality of their journalist contingent, stick to the professional ethics of journalist workers, go deep into reality, seek truth from facts, improve work style, and improve the quality of journalist propaganda. [passage omitted]

Hubei Party Studies, Relays 7th Plenum Spirit

HK2601025991 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 Jan 91

[Excerpt] The Fifth Provincial Hubei CPC Committee called the Sixth Enlarged Plenum 15-19 January 1991 to conscientiously relay and study the spirit of the Seventh Plenum of the 13th CPC Central Committee. Through studying the spirit of the plenum, the participants unified their thinking, boosted their confidence, acquired a clear idea of the objectives of the struggle for the next 10 years and the Eighth Five-Year Plan period, basic guiding principles, and key points of, tasks of, and policies for national economic and social development, gain a deep understanding of the great significance of the need to do a good job in reform and opening and attain the second-phase strategic goal of economic development, and increase their sense of historical responsibility and sense of urgency of the times.

The meeting gave full expression to democracy and the participants conscientiously deliberated on the Proposals of the Provincial Hubei CPC Committee for the Drawing-up of Hubei's 10-Year Program and Eighth Five-Year Plan for Economic and Social Development. They held that the guiding ideology, principles, and policies set forth by the provincial party committee in its proposals for formulating Hubei's 10-Year Program and Eighth Five-Year Plan for Economic and Social Development take Hubei's actual conditions into account and conform to the party's basic line and the spirit of the CPC Central Committee's proposals. The objectives of struggle and measures for their realization listed in the proposals agree with Hubei's reality, give expression to the party's line, principles, and policies put into effect since the Third Plenum of the 11th CPC Central Committee. Therefore the meeting decided to approve the proposals in principle. [passage omitted]

Hubei Experiences Stable Commodity Prices

HK2801100291 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 23 Jan 91

[Text] According to statistics recently compiled by the Statistical Department, last year our province's general commodity price level basically remained stable. By the

end of November, the province's general level of retail prices was only 3.4 percent higher than the same period in 1989. Margin of price increase index of the whole year was the lowest in the Seventh Five-Year Plan period, which was considerably lower than the target of control set by the central and provincial authorities.

According to analysis, overall bumper harvest in agriculture laid a solid foundation for stabilizing commodity prices. Last year our total grain production was 1,050,000 tons higher than 1989, cotton 162,000 tons, and oil crops 177,000 tons. The increase was all a record high. Grain prices remained stable due to a good harvest. This created favorable conditions for developing production of nonstaple foods, and curbing price hikes.

Food basket projects in various localities also played their comprehensive role of forming production, supply, and marketing as a whole. At present, the acreage growing vegetables in vegetable production bases in medium-sized and large cities of the province which can ensure stable yield despite drought or excessive rain has reached about 70 percent. Production bases of meat, fowls, eggs, and aquatic products have been primarily developed, which can ensure sufficient market supplies of nonstaple foods. This has guaranteed a falling tendency of foodstuffs prices amid stability.

In addition, economic retrenchment has objectively promoted the stability of commodity prices. A decline in enterprises' efficiency, and weak market demand have also influenced stable commodity prices. Relevant persons in the economic circles pointed out that this year our province must further strengthen management of commodity prices, and exercise strict control over spontaneous price hikes, or arbitrary price hikes. We must continue to grasp well production and sale of nonstaple foods to ensure basically stable prices. With regard to daily necessities for residents and the charges to be paid by them, we must fully consider their capability to endure price hikes to avoid abrupt increases and sudden falls of commodity prices.

Hunan To Strengthen Economic Ties With Coast

*OW2501135591 Beijing XINHUA in English
1314 GMT 25 Jan 91*

[Text] Shenzhen, January 25 (XINHUA)—South China's Hunan Province will further strengthen economic relations with neighboring province such as Guangdong, as well as with other coastal regions in China.

By doing so the province hopes to further expand co-operation projects with Hong Kong and Macao, as well as with other countries and regions.

Chen Bangzhu, governor of Hunan, made these remarks during a trade conference concerned with upgrading existing enterprises in Hunan. The conference was held in the Shenzhen Special Economic Zone in Guangdong Province.

Chen said that in the past Hunan has contributed a great deal to the economic development of Guangdong. He added that Hunan plans to expand economic and cultural exchanges and co-operation with Hong Kong and Macao. As part of this effort the province will introduce and seek foreign funds, technology and professional personnel by using the show window such as Shenzhen.

At present, Hunan's over 130 industrial and trade firms in Shenzhen have a total investment of over 450 million yuan, and fixed assets of over 800 million yuan.

Chen said that the province would seek to further cement ties with Guangdong and Shenzhen in order to guarantee the supply of grain, meat, agricultural by-products, and raw materials to Guangdong.

At the same time, Hunan will further improve its investment environment and will transfer labor-intensive enterprises to Hunan, while attempting to attract more foreign funds and investment.

The province will stress a program upgrading existing enterprises in order to increase industrial production and exports.

The province has signed 33 contracts involving funds of over 66 million U.S. dollars during the first four days of the fair. The contracts were signed with customers from a number of other countries, as well as those from Hong Kong, Macao and Taiwan.

The largest project, which involves over 24.5 million U.S. dollars, is for a steel production venture between a Hong Kong firm and the Hengyang Steel Tube Plant in Hunan.

The governor disclosed that Hunan is scheduled to hold a third trade fair in Changsha in September of this year, as well international dragon-boat, fireworks and forest protection festivals. In addition, an export commodity fair will be held in the Netherlands.

Southwest Region

Tibet Party Session Studies 7th Plenum Guidelines

*OW2601174491 Lhasa Tibet Television Network
in Mandarin 1300 GMT 22 Jan 91*

[From the "Tibet News" program]

[Text] The Second Enlarged Plenum of the Fourth Tibetan Autonomous Regional CPC Committee successfully concluded in Lhasa on the afternoon of 22 January.

Leading comrades of the regional party committee Hu Jintao, Gyaincañ Norbu, Basang, Mao Rubai, Danzim, and Chen Hanchang attended the meeting.

Also attending the session were full and alternate members of the regional party committee; members of the regional Discipline Inspection Commission; leading cadres with party membership at the regional level;

secretaries of the various prefectural and city party committees; commissioners of the administrative offices and mayors; responsible persons of the various departments and commissions of the regional party committee as well as the regional departments, bureaus, commissions, and offices; responsible persons of the people's organizations in the region; and division-level cadres with party memberships of the Tibetan Military District and the regional people's armed police corps. Also on hand at the closing session were cadres with party membership of the regional departments and those at or above the county level in Lhasa City.

The session earnestly relayed and studied the guidelines of the Seventh Plenum of the 13th CPC Central Committee, gave full play to democracy, pooled all useful ideas through heated discussions, and enhanced the understanding of the participants. It adopted, after deliberation, the Proposals of the Tibetan Autonomous Regional CPC Committee for the Drawing-up of the 10-Year Program and the Eighth Five-Year Plan for Economic and Social Development, Suggestions of the Tibetan Regional CPC Committee on Further Implementing the Decision of the CPC Central Committee on Strengthening the Ties Between the Party and the People, and discussed and made arrangements for the region's work in 1991.

The proposals set forth the main objectives, priorities, and guidelines for regional economic and social development in the coming decade.

The document consists of eight parts: first, correctly assessing the achievements during the ten years of reform and opening to the outside world; second, the main objectives to be achieved and guiding ideology; third, the emphases of economic development and distribution; fourth, vigorously developing education, science, and culture; fifth, raising the people's living standard and improving the social security system; sixth, the direction, tasks, and measures of deepening the reform of the economic structure; seventh, opening wider to the outside world and increasing economic and technological exchanges; eighth, the people of various nationalities across the region unite and strive to realize the 10-year program and the Eighth Five-Year Plan.

The session highly evaluated the region's work since the Third Plenum of the 11th CPC Central Committee in following and implementing the party's basic line and the series of special policies and flexible measures the Central Committee has adopted with regard to Tibet, in carrying out reform and opening to the outside world, and in promoting the growth of the productive forces. During that period, we have made significant progress in regional economic and social development, brought about encouraging changes to our economic and social life, and achieved noticeable improvements in the living standard of the people. In 1990, the per capita income of peasants and herdsmen in the region topped 415 yuan, an increase of 120 percent over 1980. The problem of food and clothing for most of the people has been solved;

the consumption level of urban residents has increased; new progress was achieved in the region's education, science and technology, culture, art, press and publications, radio and television, public health, sports, and other undertakings. After 10 years of reform and opening to the outside world, the region's long-standing isolation is being broken up, its natural economy has begun to experience the impact, and the pace of economic development is picking up.

The session proposed: The emphasis of economic construction in the coming decade and during the period of Eighth Five-Year Plan is to focus on agriculture and livestock husbandry; raise production of major agricultural and livestock products, grain in particular, to a new level; step up the development of such basic industries and basic facilities as the energy industry, communications, posts and telecommunications, and the mineral industry; actively develop the light and textile industries, ethnic handicrafts industry, and service trades; and, at the same time, vigorously promote educational, scientific and technological, and cultural undertakings.

The meeting emphasized: The guiding principles the region must follow in its economic and social development in the coming decade are as follows:

We must follow the road of building socialism with Chinese characteristics, comprehensively implement the party's basic line of emphasizing the central task of economic development and the two basic points, and persist in the policy of promoting both the material and spiritual civilizations.

We must firmly push forward reform and opening to the outside world.

We must firmly persist in the policy of prudence and steady progress and achieve a sustained, steady, and well-balanced economic growth.

We must firmly follow the principle of self-reliance, hard struggle and building up the country through thrift and diligence.

We must work hard to bring about prosperity for all.

We must firmly implement the principle of promoting both material and spiritual civilization.

In order to accomplish the 10-year program and the Eighth Five-Year Plan, we must correctly and comprehensively implement the party's policy on the united front, nationalities, and religion; work hard to develop the broadest possible patriotic united front; unite with all the forces that can be united under the banner of patriotism and socialism; bring every positive factor into play; do a good job in nationalities work; persist in and improve the policy of regional autonomy of minority nationalities; vigorously bring up minority cadres with both competency and political integrity; further develop the fine cultures of minority nationalities; promote the study, use, and development of the Tibetan language; persist in the principle that the Han nationality cannot

be separated from the minority nationalities and vice versa; further consolidate and develop a new, socialist relationship among the nationalities that is characterized by equality, unity, and mutual assistance; implement the party's policy on religious freedom; and safeguard the legitimate rights and interests of believers and nonbelievers.

The session stressed: The key to the smooth accomplishment of the tasks set by the 10-year program and the Eighth Five-Year Plan lies in strengthening and improving party leadership. Persistent efforts should be made to build a clean and honest government and maintain flesh-and-blood ties with the masses so as to enhance the rallying call and combating power of the party.

Mao Rubai, deputy secretary of the regional party committee, presided over the closing session. Comrade Hu Jintao made an important speech at the meeting. Comrade Gyaincain Norbu gave an explanation of the proposals at the enlarged session.

Comrade Hu Jintao's speech consisted of four parts: First, a basic assessment of the work in 1990; second, get a clear understanding of the situation and tasks and enhance our confidence; third, make overall arrangements with emphasis on key points and accomplish the various tasks of this year; and fourth, step up leadership, improve workstyle, and energetically carry out our work.

Speaking of the work in 1990, Hu Jintao said: Thanks to the kind attention and direct leadership of the party Central Committee, the region made new progress in its work during 1990. We scored a major victory in the struggle against separatism, further stabilized the political situation, and made new progress in economic construction and the various undertakings. We paid greater attention to the spiritual civilization and particularly intensified propaganda and political work; continued to carry out the party's policy on nationalities, religion, and the united front; and achieved new progress in party building. All in all, the past year was a year that saw greater stability in the region's political situation, further progress in economic construction, and advancement in all undertakings.

Hu Jintao pointed out in his speech: These successes can be attributed to, first, the great importance and kind attention devoted to Tibet's work by the party Central Committee; second, the persistent efforts in promoting both the material and spiritual civilizations; third, the unwavering efforts in implementation of the party's policy on Tibet; fourth, our steadfast reliance on the people of all nationalities in the execution of all our work; and fifth, stepped-up efforts in promoting party building, the spiritual civilization, and political, ideological, propaganda, and educational work. After analyzing the situation abroad, at home, and in Tibet, Comrade Hu Jintao outlined the region's tasks for 1991. He said: This year is the first year of implementing the 10-year program and the Eighth Five-Year Plan. The overall

requirements of the region's work are as follows: Implement in real earnest the party Central Committee's important instructions on Tibet's work and the guidelines of the Seventh Plenum of the 13th CPC Central Committee and the fourth autonomous regional party congress; make economic construction our central task and, pay close attention to the two main tasks, namely, stabilizing the situation and developing the economy; and bring about a smooth development in all of the region's undertakings and accomplish the various tasks of the year.

In his speech, Hu Jintao stressed the following requirements with regard to the region's tasks for this year:

First, we should make elaborate arrangements and carry out in earnest activities marking the 40th anniversary of the peaceful liberation of Tibet. We should, by way of commemorating the anniversary, carry out in breadth and depth education on patriotism and socialism among cadres and people of all nationalities in the region, safeguard the unification of the state, enhance national unity, oppose separatism and retrogression, oppose bourgeois liberalization, promote stability and economic development, and push forward the advancement of all undertakings.

Second, we should continue to pay close attention to stability as the overriding task. Over the years, the region has scored major victories in the struggle against separatism and the situation in the region is developing toward greater stability. Leadership at all levels must be fully aware of the protracted, complex, and intense nature of the anti-separatism struggle; consistently place the work of stabilizing the situation high on their agendas; and firmly seize the initiative of the struggle so as to create a good social environment for Tibet's economic prosperity and make new contributions to the peace and happiness of people in Tibet.

Third, implement this year's economic work in a down-to-earth manner, formulate a realistic and feasible 10-year program and the Eighth Five-Year Plan, work out effective measures to consolidate and develop agriculture—the foundation of the economy, further carry out economic improvement and rectification and the deepening of reform, open wider to the outside world, improve efficiency, and successfully carry out the construction of key projects.

Fourth, we should continue to correctly and comprehensively implement the party's policies on the united front, nationalities, and religion.

Fifth, we should persistently improve party workstyle, crack down on corruption, and promote honesty.

Hu Jintao stressed in his speech: The key to the fulfillment this year's tasks lies in strengthening leadership. The mental attitude of leading cadres and the unity of leadership nuclei are particularly important. Leading cadres at all levels must study hard and further improve themselves both politically and professionally. It is

essential to strengthen unity and enhance the combating power of leadership collectives. We should tighten discipline to ensure the smooth implementation of the party's line, principles, and policies, and work energetically and in a down-to-earth manner to ensure the fulfillment of the party's tasks.

Pu Chaozhu on People's Democratic Dictatorship

*HK2901080591 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 25 Jan 91*

[Text] Yesterday afternoon, provincial party secretary Pu Chaozhu addressed a provincial meeting on the building of the contingent of cadres and policemen responsible for reform through labor and reeducation through labor, which is being held in Kunming. He spoke on persisting in the people's democratic dictatorship.

Pu Chaozhu said: The Seventh Plenum of the party has scientifically summed up the 12 experiences of building socialism with Chinese characteristics. The first experience is to strengthen people's democratic dictatorship. Those who admit class struggle only, but not proletarian dictatorship, are not Marxists. Whether or not one upholds proletarian dictatorship is an important principle issue of Marxism. Judging from fundamental practice, we realize that after snatching state power, the proletariat must persist in proletarian dictatorship. Only thus can it consolidate and promote socialist construction and realize communism.

He continued: In particular, it has not yet been long since the birth of our socialism. We must never give up proletarian dictatorship. If the proletariat gives up its power, this means it gives up everything. The important function of the departments in charge of reform through labor and reeducation through labor is to exercise proletarian dictatorship, and reform and reeducate people to turn negative factors in the society into positive ones. Therefore, we must never weaken or give up proletarian dictatorship. On the contrary, we must enhance our capability in administering the state power.

Pu Chaozhu added: We must constantly improve political and management quality of cadres and policemen in charge of the work of reform through labor and reeducation through labor. Party committees in various units in charge of reform through labor and reeducation through labor must administer the police force strictly, and enhance the concept of the party, heighten their sense of discipline and organization, and improve their capability in law enforcement. In the meantime, corrupted phenomena must be strictly punished and handled.

North Region

Beijing Minority Vocational School Highlighted

*OW2801121191 Beijing XINHUA in English
1136 GMT 28 Jan 91*

[Text] Beijing, January 28 (XINHUA)—The three-year-old Beijing Vocational School for Ethnic Minorities

is a late-comer among Beijing's over 200 vocational schools but its particular specialities have made it quite popular in Beijing.

Located in Beijing's Chaoyang District, the school is Beijing's only vocational school which specializes in training intermediate level ethnic personnel in tourism, Moslem hotel practice, Moslem cuisine, and commercial services fields.

More than 62 percent of the school's 400 students are ethnic minorities. They come from Hui, Manchu, Uygur, Mongolian, Korean and Han nationalities. Many of the school's over 300 graduates are employed by the Beijing Moslem Mansion, the Cultural Palace Restaurant for Nationalities, the Zhaolong Hotel and some other tourism departments.

Nearly half of Beijing's 410,000 ethnic minority residents are Moslem. Beijing also receives a great number of Moslem overseas tourists. To cater to their tastes and the need for more Moslem restaurants, the school established the Moslem cuisine speciality.

The students who major in Moslem cuisine not only learn Moslem cooking skills from famous cooks from big restaurants, but also study basic cuisine theory, Moslem culture, aesthetics and other basic high school courses. As the speciality is quite specific, all Moslem cuisine students happen to be Moslems.

According to a school director, since his students master Moslem cooking skills and basic cuisine theory quickly, all 30 of the school's graduates received employment in big Moslem restaurants last year. He added that several of its second and third year students have also been recruited by some big restaurants in advance.

Arabic is another one of the specialities offered by the school. The students of Arabic study 10 Arabic lessons and 10 English lessons a week in addition to their other basic high school courses. They also study for four years, one year longer than the students with other majors.

The Beijing Vocational School for Ethnic Minorities has also paid attention to setting up cultural exchanges with foreign vocational schools. In the past few years, the school has received visiting teams from the United States, Japan, Switzerland, Egypt and some other countries. The school plans to promote cultural exchanges and cooperation with more foreign countries in the coming years.

Beijing's 221 vocational schools have a 10 year history. They now offer courses in 232 specialities and enroll 56,000 students. Some 64,000 students have graduated from the capital's vocational schools in the past eight years.

Wang Qun at Inner Mongolia Defense Meeting

SK2901062291 Hohhot Inner Mongolia Regional
Service in Mandarin 1100 GMT 28 Jan 91

[Excerpts] The autonomous regional education conference of all-people national defense opened in the city of Hohhot on 28 January. Attending and addressing the conference were leading personnel from the autonomous regional level organs, including Wang Qun, Bu He, Zhang Dinghua, Yang Enbo, and Diao Chongzhou.

Zou Yuqi, deputy commander of the Beijing Military Region, took a special trip to attend and direct the conference.

At the opening ceremony of the conference, Zhang Dinghua, deputy secretary of the autonomous regional party committee, delivered a speech in which he stated that the education of all-people national defense is the basic education of the country and the nationalities and can enhance the centripetal force and cohesion of nationalities and arouse the greatest enthusiasm of the people in ardently cherishing, building up, and safeguarding the motherland. He also stated that our region is located in the border areas and is assuming heavy duties in safeguarding the nationalities' unity, the motherland's unification, and the national security. We must unswervingly grasp the education of all-people national defense by regarding it as a long-term strategic task.

During the conference, Bu He, chairman of the autonomous regional people's government, also delivered an important speech in which he stated that the international situation as a whole, and the contradictions in it, while tending towards relief, have not been thoroughly dealt with and the world situation is not peaceful. After the outbreak of the Gulf war, the international situation appears more turbulent and intricate. In such a situation, we must be prepared for danger in these times and vigorously do a good job in conducting national defense education and building up national defense. Only by so doing can we succeed in having the initiative firmly in our hands no matter what changes in the international situation. He pointed out that imperialism and hostile forces are bent on subjugating our country and that the future struggles between subversion and antisubversion, infiltration and anti-infiltration, and peaceful evolution and antipeaceful evolution will be protracted, sharp, and complicated. The program conducted by our region which is located on the forefront of combating subversion, infiltration, and peaceful evolution, with regard to enhancing the building of national defense and the education of all-people national defense has a particularly important significance.

In his speech, Bu He urged the residents of various nationalities to discern the important significance of successfully conducting national defense education in line with the great changes in the international situation and in line with the region's location, as well as from the high plane of maintaining the national peace and social

stability so as to build the pastoral area of China's northern border into an iron wall of the motherland.

In his speech, Bu He stated that national defense education is a long-term political task and an important component part of citizens' knowledge. Therefore, various localities should not only grasp education under the strained international situation but should also not relax education even a little under this relieved situation or climate. Party committees and governments at all levels, particularly border leagues, cities, banners, and counties, should place the national defense education on their important daily schedule and in their overall work arrangements. They should establish or improve the organizational leading organs and the regulations and rules which have been proved effective and succeed in formulating unified plans, making unified arrangements, implementing the plan and arrangements in a unified manner, carrying out unified inspection, and dealing with matters in a unified way. They should truly conduct the work of national defense education in a down-to-earth manner.

In conducting national defense education, Bu He stressed in his speech that we should integrate education on the situation with consolidating and enhancing the people's democratic dictatorship, with regarding economic construction as a center, and with enhancing the unity between the Army and the government and between the Army and the people as well as among the people of various nationalities. He urged all local leading personnel to take the lead in studying the knowledge of national defense and of the military; to have the initiative of military work in their hands; to be leaders who are proficient in both civil and military affairs; and to make new contributions to developing the economy, maintaining the national security, and safeguarding the region's stability.

Attending the conference as observers were principal responsible comrades from various leagues, cities, banners, and counties across the autonomous region.

Also attending the conference were leading personnel from the Inner Mongolia Autonomous Regional Military District, including Fang Chenghai, (Bayartu), and (Sayigetü); as well as comrades from the PLA General Staff Headquarters, the PLA General Political Department, and from the organs under the Beijing Military Region.

During the conference, three advanced PLA units under the autonomous regional military district and 24 advanced collectives outstanding in conducting national defense education in the region were commended.

Inner Mongolia Congress Committee Meets

SK2901055791 Hohhot Inner Mongolia Regional
Service in Mandarin 1100 GMT 28 Jan 91

[Excerpt] The 18th Standing Committee meeting of the Seventh Inner Mongolia Autonomous Regional People's Congress opened in Hohhot this morning. Batubagen,

chairman of the regional People's Congress Standing Committee, presided over the meeting. Vice Chairmen Butegeqi, Zhang Hangong, Seyinbayaer, Xu Lingren, Bai Junqing, Liu Zhenyi, Sha Tuo, Zhou Rongchang, and Cui Weiyue attended the meeting. After Badalahu, secretary general of the regional People's Congress Standing Committee, gave an explanation on the draft agenda of this Standing Committee meeting, the meeting's participants adopted the items on the agenda.

At the meeting, entrusted by the regional government, Ge Weizu, vice chairman of the regional Planning Commission, made a report on the arrangements for the region's 1991 economic and social development plan. Entrusted by the regional government, Bao Wenfa, director of the regional Financial Department, made a report on the arrangements for the 1991 regional financial budget.

Attending the meeting as nonvoting deputies were Alatanaoqier, vice chairman of the region; Yun Zhaorong, deputy president of the regional Higher People's Court; and Zhang Hesong, chief procurator of the regional People's Procuratorate. [passage omitted]

Commentary on Work With Intellectuals

SK2801122991 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 27 Jan 91

[Station commentary: "Further Strengthen and Improve the Work Concerning Intellectuals"]

[Text] Just following the conclusion of the third enlarged plenum of the fifth regional party committee, the regional party committee and the regional government ceremoniously held a rally to commend science professionals and intellectuals who made outstanding contributions to production.

This showed again that the party and the government have paid high attention to the work with intellectuals. Our region has nearly 500,000 intellectuals. Generally speaking, this intellectual rank has persistently supported reforms and the opening up to the outside world, and is able to withstand all political stormy tests and to create great achievements. These intellectuals have made great contributions to the region's modernization and have functions that cannot be replaced by others.

Our party has paid full attention to the work concerning intellectuals. Comrade Mao Zedong said that it would be impossible to win a victory in revolution if intellectuals did not participate in the revolution.

After the third plenum of the 11th party Central Committee, the party Central Committee clearly set forth that intellectuals are a part of the working class. This is a base through which our party develops Marxist theory on intellectuals, as well as a theoretical base of the party's policies toward intellectuals under the new situation. The ideas of excluding intellectuals from the working class and of regarding intellectuals as an independent class high above the working class are wrong. The aim to further strengthen and improve the work with intellectuals is to bring into better play the intellectuals' key role in the region's modernization, reforms, and opening-up work. Being dedicated to making the motherland stronger and rejuvenating the nation is the greatest aspiration of the vast number of intellectuals. Their greatest requirement is that their labor be recognized and respected by society. Party committees and governments at various levels should put the work with intellectuals into their main work agenda, conscientiously implement the party Central Committee's policies and principles on intellectuals, respect knowledge and intellectuals, and strive to create fine conditions for realizing intellectuals' aspirations and requirements, make them become more vigorous and give them the peace of mind to display their special skills and make contributions to the region's undertakings in construction. Persistently combining practices and integrating with workers and peasants is a glorious tradition of our country's advanced intellectuals, as well as a correct way through which intellectuals grow up in a healthy manner and undertake a historical mission. Party committees and governments at various levels should positively make arrangements for helping intellectuals integrate with practices and with workers and peasants. All industrial and mining enterprises and all rural and grass-roots units should provide intellectuals and young students with conditions for engaging in social practices, production, and study; regard them as their duty-bound social responsibility; and enthusiastically welcome them to work at the forefront of production and scientific research. At present, the world political situation is changing, the class struggle at home also exists in some spheres, and the capitalist class' corrosive outlook on the world, life, and value also affect various fields of our life, and corrode and poison the people. Thus, we should fully understand this: We should regard education on adhering to the four cardinal principles and opposing bourgeois liberalization as an important part of ideological and political work, and attend to it effectively. We should further strengthen education on patriotism and unity of nationalities, on modern revolutionary history, and on the national situation among intellectuals, particularly young intellectuals. Meanwhile, we should positively encourage them to study Marxist philosophy and help them grasp the stand and viewpoints of dialectical materialism and historical materialism. Only by so doing can we cultivate the vast number of intellectuals across the region into politically conscious and professionally competent socialist of a new-type intellectuals.

The proposals for formulating the 10-Year National Economic and Social Development Plan and the Eighth Five-Year Plan, adopted at the Seventh Plenum of the 13th Party Central Committee, comprehensively reveal the grand blueprint for modernization. The third enlarged plenum of the fifth regional party committee, under the guidance of the guidelines of the Seventh Plenum of the 13th Party Central Committee and according to the actual conditions of the region, studied and formulated the regional fighting goals and relevant principles, policies, and great measures during the Eighth Five-Year Plan period and in the next 10 years. The next decade is a key period. We should concentrate energy on developing the economy in the next 10 years. We firmly believe that the vast number of intellectuals across the region will certainly carry forward the previous fine traditions, display their skills to the full in the last 10 years of this century, and make greater contributions to realizing the region's three short-term fighting goals and second-step strategic goals.

Tianjin People's Congress Begins 28 Jan

SK2901064791 *Tianjin City Service in Mandarin*
2300 GMT 28 Jan 91

[Text] The 23d Standing Committee meeting of the 11th Tianjin Municipal People's Congress opened on 28 January. Wu Zhen, chairman of the municipal People's Congress Standing Committee, presided over the 28 January meeting. This two-day meeting will examine the revised draft on Tianjin's regulations governing national defense education, examine the revised draft on Tianjin's methods concerning the implementation of the PRC's [words indistinct], listen to the municipal government's report concerning the implementation of Tianjin's regulations governing the protection of customers' legitimate rights and interests, listen to the municipal government's report on improving service work and [words indistinct], and listen to some personnel appointments and removals.

Airport on Alert for Iraqi Terrorists

OW2901092391 Taipei Domestic Service
in Mandarin 2300 GMT 27 Jan 91

[From the "News and Commentaries" program]

[Text] The Aviation Police unit of China's Chiang Kai-shek [CKS] Airport yesterday was informed by a U.S. intelligence unit that two Iraqi terrorists might try to sneak into Taiwan by air at any time to assassinate, blow up, or conduct other kinds of terrorist activities against U.S. units in Taiwan, and U.S. citizens on the island. Therefore, the intelligence unit instructed airport inspection personnel to heighten their vigilance and urged them to stringently compare and examine the travel documents and luggage of travellers flying U.S. carriers—Northwest, United, and Delta.

However, the Aviation Police unit refused to reveal the English names of the two terrorists for fear that they might change their passports on the way to Taiwan.

Currently, airport inspectors are paying special attention to travellers who hold passports of Middle East countries and who are entering Taiwan for the first time. For Taiwan's security, Iraqi travellers, even if they are not listed on the blacklist of terrorists, will not be allowed to enter Taiwan.

This is the first time that double checks of travel documents of local and foreign travellers have been carried out at CKS Airport since it opened over 10 years ago.

Gulf War Spurs Air Force Combat Readiness

OW2701085391 Taipei International Service
in English 0200 GMT 26 Jan 91

[From the "News" program]

[Text] The Republic of China [ROC] Air Force has heightened its combat readiness since the outbreak of the Gulf war in order to deter any possible communist Chinese military adventure, according to Air Force Commander-in-Chief Ling Wen-li.

Ling reported that the Air Force currently has more than 100 F104's deployed at the Hsinchu and Taichung air bases.

Ling stressed that while the planes are old, all their components and parts have been replaced with new ones, and the planes in service are in good conditions.

He said the military will accelerate production of the first indigenously developed fighters, the IDF's, which will replace the F104's as the mainstay of the Air Force over the next decade. Four IDF's have rolled off the production line and are now undergoing test flight.

The government also hopes to purchase more advanced jet fighters like the Italian-developed F104G's to

enhance its air defense capabilities, but Italy is reportedly not yet willing to consider selling this type of aircraft.

New Contingency Plan for Lengthier Gulf War

OW2601023491 Taipei CNA in English 1459 GMT
25 Jan 91

[Text] Taipei, Jan. 25 (CNA)—Minister of Economic Affairs Vincent Siew [Hsiao Wan-chang] Friday asked the various agencies of his ministry to prepare new plans to cope with the new situation that may arise if the Gulf war lasts six months or longer.

Siew also asked for reassessment of current supply and demand as well as the price structure of oil products in order to be prepared for any unexpected situations in the Gulf.

The top economic official said that the contingency plan drawn up earlier had been based on the premise that the war would end within three months. As the war may drag on longer than expected, it is necessary to devise new plans, he added.

BOFT Reports Shift in Mideast Trade Structure

OW2801181591 Taipei CNA in English 1500 GMT
28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—Republic of China [ROC] exports to the Middle East dropped significantly in the last quarter of 1990 as a result of the outbreak of Gulf war but imports from that area increased 45.3 percent, the Board of Foreign Trade (BOFT) reported Monday.

BOFT Director-General Sheu Ke-sheng said that BOFT does not encourage local businessmen to do business in the Middle East for the time being as the risk of trade with countries in that region is high.

ROC exports from September through December, 1990 totaled 380 million U.S. dollars, a 13.9 percent decline from 1989, BOFT reported.

Among the ten top export items to the Middle East, travel goods fell 50.6 percent, followed by synthetic fibres 44.4 percent, auto components, 37 percent, and footwear, 31.6 percent.

BOFT also reported that average monthly exports to the Middle East were 127 million U.S. dollars in the first eight months of 1990. After the outbreak of Gulf war, the amount dropped to 96 million U.S. dollars, 24.3 percent lower.

BOFT attributed the last quarter's sharp rise in imports from the Middle East to increased ROC purchases of crude oil and other oil products from that part of the world.

BOFT said 63 percent of the oil consumed by the ROC comes from the Middle East.

Right To Transit Soviet Airspace Sought

OW2801034191 Taipei CNA in English 0246 GMT
28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—The Communications Ministry is actively pursuing the right to fly through Soviet airspace, an official of the Civil Aeronautics Administration said Friday.

Since the Gulf war broke out, China Airlines (CAL), the Republic of China's [ROC's] flag carrier, and many foreign airlines have suspended their European flights, the official pointed out.

If the ROC obtained the right to fly through Soviet airspace, CAL's European flights might lose customers flying in Bangkok, the transit spot for CAL's European flights, the official said.

But he pointed out that if CAL flights still transit in Bangkok before flying over the Soviet Union, they would have to fly over mainland China, India and Pakistan first, all of which are unfriendly to the ROC, he explained.

However, the Soviet route might still be an emergency option although it will not be helpful in the short-term. The ministry has therefore made the possibility of flying through Soviet airspace a key goal this year, the official said.

Soviet Officials Offer Help With Trade Office

OW2801182891 Taipei CNA in English 1456 GMT
28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—Three Soviet trade officials said Monday they were willing to help the Republic of China establish a trade office in Moscow.

Andrey V. Zverev, deputy minister of finance of the Russian Federation, and two other Soviet officials made the promise while meeting Lee Chang-lu, deputy director general of the Board of Foreign Trade.

The Soviets pointed out that both countries do not have a proper understanding of each other's markets. A trade office could help arrange exchanges of visits and collect the information needed to boost bilateral trade, they noted.

Each of the two countries are a potential market for the other, they stressed, adding they would be pleased to see bilateral trade grow.

They will host a seminar Tuesday to improve Republic of China business community's understanding of trade opportunities in the Soviet Union.

Vice President Ilyazov of the Soviet Export Association said that late this year, his association will sponsor another seminar to increase ROC business' understanding of Soviet markets.

The Soviet Government is encouraging foreign businessmen to set up joint ventures with the Soviets, Ilyazov said.

Lee agreed with his guests that both sides need to strengthen market information exchanges in order to promote bilateral trade.

Soviets To Be Permitted To Apply for Patents

OW2801032591 Taipei CNA in English 0238 GMT
28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—The Economic Affairs Ministry will permit people from the Soviet Union to register trade mark and apply for patent rights in the Republic of China [ROC], ministry officials said Sunday.

The decision was made by Economics Minister Hsiao Wan-chang after hearing a report by the Director General of the National Bureau of Standards Wu Hwei-ran at a ministry meeting, officials said.

Wu was quoted as saying that the decision was in response to the same treatment recently granted to ROC citizens by the Soviet Government.

Several private patent agents have already made inquiries at the bureau concerning patent right application in the Soviet Union, officials added.

Sakhalin Governor Arrives for Talks 27 Jan

OW2801032791 Taipei CNA in English 0235 GMT
28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—Gov. Valentin Fyodorov of Sakhalin, the Soviet Union, arrived here from Singapore Sunday for a five-day visit.

Fyodorov will meet with the head of a local investment firm, Tsai Chung-han, to discuss possible cooperation in developing natural resources in Sakhalin.

Tsai, also a member of the Legislative Yuan, and his colleague legislator Hsieh Lai-fa, welcomed Gov. Fyodorov and his entourage of six persons at CKS [Chiang Kai-shek] International Airport.

During his stay here, Gov. Fyodorov will call on Foreign Minister Chien Fu, Economics Minister Hsiao Wan-chang, Yu Yu-hsein, chairman of the Council of Agriculture, and Taiwan Gov. Lien Chan, Tsai added.

Meets Vice Foreign Minister

OW2801180691 Taipei CNA in English 1430 GMT
28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—Governor Valentin Fyodorov of Sakhalin, the Soviet Union, called on Vice Foreign Minister John Chang Monday.

During the meeting, Chang extended a warm welcome to the Soviet dignitary; they then exchanged views on ways to jointly tap the oil and fishery resources of Sakhalin.

Gov. Fedorov lauded the Republic of China for its economic progress and prosperity.

During his stay here at the invitation of a local private company, Fedorov will meet with businessmen to discuss joint ventures and also visit economic organizations. The Soviet visitor will leave Thursday after a four-day visit.

Discusses Fishing Cooperation

*OW2801183391 Taipei CNA in English 1548 GMT
28 Jan 91*

[Text] Taipei, Jan. 28 (CNA)—Gov. Valentin Fedorov from the Far Eastern Soviet Sakhalin Monday called on Republic of China [ROC] officials to discuss possibility of fishery cooperation between ROC and the Soviet Union.

It is known that both sides expressed keen interest in working together during Fedorov's call at the Council of Agriculture Monday afternoon, even though the details of their discussion are not yet known.

Fedorov told reporters that future fishery cooperation between the two countries should be planned for the long term and be carried out by a joint venture. Sakhalin is willing to offer its fishing harbors to Taiwan as a base for the latter's fishing boats, he emphasized.

The Sakhalin governor said the Soviet Union with its abundant fishing resources, does not have an adequate fishing fleet, refrigerating and processing plants, nor capital to develop its fishery assets.

According to the Council of Agriculture, there are still many problems such as charges for ports calls and the joint venture details that must be resolved before an agreement between the two countries can be reached.

Exclusion From U.S. Trade 'Watch List' Expected
*OW2801141591 Taipei CNA in English 1053 GMT
28 Jan 91*

[Text] Taipei Jan. 28 (CNA)—The Republic of China [ROC] is expected to be excluded from the upcoming U.S. "watch list" for trade retaliation due to Taipei's moves to protect intellectual property rights, officials with the Board of Foreign Trade said Monday.

The United States has been reviewing intellectual property rights protection policies of various nations to compose its "special 301" list, to be announced by the end of April, the officials said.

Thanks to accomplishments in trade liberalization, the Republic of China has been excluded from the trade retaliation hit list for the past two years, they noted.

Taipei was included on the special 301 priority watch list in 1988, however. In 1989 some policy changes were made, and the ROC was moved to the regular watch list.

Starting Feb. 22, ROC and US trade officials will meet for talks on patents and trademarks, an event that will determine whether Taiwan will be named on the special 301 list, the officials said.

The Ministry of Economic Affairs stressed that Taipei is fully in agreement with Washington's policy on protecting intellectual property rights. Related laws and regulations have been revised, and will become effective pending the legislation passing, ministry officials added.

DPRK Macao Consulate To Accept Visa Requests
*OW2601023791 Taipei CNA in English 1521 GMT
25 Jan 91*

[Text] Taipei, Jan. 25 (CNA)—North Korea's Consulate in Macao has authorized a Republic of China [ROC] businessman to accept in Taipei visa applications by ROC citizens.

Chu Po-shun, chairman of the New York-based Chinese-language HUA MEI daily news, said Friday that North Korean Consul Hwang Sung-hwa has authorized him to collect the visa applications and to forward them to Macao.

Chu told a news conference at the Lai Lai Sheraton Hotel here that ROC citizens intending to visit North Korea for pleasure or business purposes can now send their visa applications to his office at 3F, 20, Jen Ai Road, Sec. 1, Taipei.

Accompanied by Hwang Sung-hwa, Chu visited Pyongyang last December and met with several North Korean Government officials. Chu said the North Korean Government welcomes ROC visitors for both sightseeing and business.

North Korea, one of Asia's most closed societies, has gradually opened its doors to the outside world in an attempt to attract foreign capital to bolster its economic development, Chu noted. It opened its doors to ROC visitors for the first time late last year.

No Ban on Liaison Office

*OW2601023891 Taipei CNA in English 1536 GMT
25 Jan 91*

[Text] Taipei, Jan. 25 (CNA)—The Ministry of Foreign Affairs will not ban a private office in Taipei for accepting visa applications by Republic of China [ROC] citizens intending to visit North Korea, ministry officials said Friday.

The office set up by Chu Po-shun, a newspaper publisher, is of a private nature, the officials stressed. It will only collect visa applications here and forward them to North Korea's consulate in Macao.

The officials noted that although the ministry does not oppose civilian exchanges with Pyongyang, it will not encourage ROC businessmen to imprudently invest in North Korea.

As North Korea is one of the world's most recalcitrant socialist countries, the officials said local businessmen should first collect more information and deepen their understanding of its investment climate, regulations and guaranty measures before making any commitments.

Mainland-RSA Trade Not To Affect Ties

OW2701154591 Taipei CNA in English 1505 GMT
27 Jan 91

[Text] Chiang Kai-shek Airport, Northern Taiwan, Jan. 27 (CNA)—Cordial relations between the Republic of China [ROC] and the Republic of South Africa [RSA] will not be affected by trade between Pretoria and Peking, Foreign Affairs Minister Fredrick Chien [Chien Fu] said Sunday.

While in South Africa, Chien said, he was repeatedly assured by officials that exchanges between South Africa and mainland China will be limited to the private trade level, and friendly ties between the ROC and South Africa will be maintained as firm as ever.

The foreign affairs minister, having just returned from an 11-day visit to Swaziland and South Africa, was speaking at a press conference at Chiang Kai-shek International Airport.

During his stay in South Africa, Chien witnessed the signing of a U.S. \$60 million loan from the Republic of China to South Africa.

With 7.75 percent interest per annum, the loan will be used to purchase Taiwan products, Chien explained.

Mainland Affairs Council Urges Activists' Release

OW2801181991 Taipei CNA in English 1554 GMT
28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—A cabinet level agency of the Republic of China urged the Chinese Communist authorities Monday to free jailed pro-democracy activists and to actively implement reforms.

In a tough-worded statement, the Mainland Affairs Council said any moves by Peking to block the political democratization and economic liberalization of the China mainland "will surely delay the [word indistinct] of national unification."

The democratization and liberalization of the mainland is not only the common wish of the 1.1 billion Chinese there, but a key to the reunification of the two sides of the Taiwan Strait, the council stressed.

The agency expressed grave concern about the sentence given by a Peking Court to five dissidents who participated in the mid-1989 peaceful demonstration that led to a bloody crackdown on June 4 that year.

Among the five was the 23-year old student leader Wang Dan, who was sentenced to four years in prison on charges of conducting "counterrevolution propaganda." Wang was arrested soon after the June 4 massacre and has been put under detention since.

Peking was apparently taking advantage of the Gulf war to divert world attention from its abrupt trials and the sentencing of the dissidents arrested for their involvement in the foiled pro-democracy movement, the statement said.

"This once again demonstrates the totalitarian nature of the Chinese Communist regime," the council said. "It also reflects the fact that the Chinese Communists do not have the slightest sincerity in learning any lessons from the June 4 massacre."

Despite the criticism, the council repeated its appeals for Peking to release the dissidents and to accept reforms.

The statement stressed that since the aspiration for freedom, democracy and peace is part of human nature, "the liberalization and democratization of the communist world has become an irresistible trend."

Concern Expressed Over Mainland Human Rights

OW2601023691 Taipei CNA in English 1501 GMT
25 Jan 91

[Text] Taipei, Jan. 25 (CNA)—A presidential press officer said Friday that the government of the Republic of China was concerned about the human rights situation on the China mainland.

Chiao Jen-ho said human rights is an "important topic" during the process of national unification.

Commenting on Peking's current secret trial of Wang Dan and other pro-democracy leaders, Chiao said that though the government has never involved itself in the mainland democracy movement, it has shown no less concern for the pro-democracy advocates than other countries.

Chiao added that mainland China's human rights situation is on the list of topics to be studied by the National Unification Council's Research Committee.

"Improvements in the mainland human rights situation are important as we hope to unify China under the principle of freedom, democracy and equitable distribution of wealth," the press officer said.

Mainland Democracy Promotion Group Formed
OW2801034491 Taipei CNA in English 0243 GMT
 28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—The Association for Promotion of Democracy in mainland China was established in Taipei Saturday.

Professor Ming Chu-cheng, one of the organizers of the association, said purpose of the association was to promote democratization in mainland China, so that China can be unified earlier.

He said the association will try to unify pro-democracy groups at home and abroad, and solicit international support for the promotion of democracy on the Chinese mainland.

Although the 1989 pro-democracy movement in Tienanmen Square was suppressed by the Peking regime, its influence has reached Eastern Europe and the Soviet Union, he said.

The bloodshed on Tienanmen Square has enforced the reforms in these communist countries, Ming said.

The rapid changes in Eastern Europe will in turn influence mainland China, he added.

1st Mainland Investment Application Approved
OW2801171491 Taipei CNA in English 1545 GMT
 28 Jan 91

[Text] Taipei, Jan. 28 (CNA)—The Investment Commission Monday approved the first application by a Taiwan enterprise to indirectly invest on the China mainland.

Chung Shing Textile Co. plans to use its own Hong Kong subsidiary to establish a garment company on the Chinese communist-controlled mainland. The investment will cost U.S. \$900,000.

The commission also approved 10 other applications to invest abroad.

Eight companies have applied to indirectly invest on the other side of the Taiwan Strait since the Executive Yuan lifted the ban on such investments last year. Seven other applications are under screening.

Commenting on Chung Shing's investment application, the commission called on Taiwan businesses to refrain from directly investing on the mainland, which is still strictly prohibited.

Nor should Taiwan enterprises invest on the mainland without reporting to the government, the commission urged.

No exact tabulation of Taiwan's mainland investments is available, but it has been reported that at least several hundred millions of dollars have been channeled from Taiwan to the mainland in recent years.

Possible Use of Force Against Taiwan Examined
HK2601070091 Hong Kong TANGTAI in Chinese
 No 61, 26 Jan 91 pp 8-9

[Article by Ho Po-shih (0149 0130 245) from Beijing: "Taiwan Gets Nervous as War Breaks Out in Gulf: On the Strategy the CPC May Adopt to Attack Taiwan"]

[Text] Immediately after the outbreak of war in the Gulf, Taiwan went on an alert. Taiwan military authorities are watching closely to see whether or not communist China will attack Taiwan by force, taking advantage of the fact that world attention is focused on the Middle East.

The CPC's Plan for Resorting To Force Against Taiwan

The possibility of communist China resorting to force in seeking a settlement of the Taiwan issue exists. When the Taiwan leader Chiang Chin-kuo passed away a few years back, communist China issued an order to the military to keep a close watch on activities on the Taiwan side of the Strait; action would be taken should the succeeding government pronounce independence. That being the case, communist China's military does have a plan for military operations against Taiwan.

Fighting for Air Domination

To attack Taiwan, communist China must possess command of the air and sea. Air domination refers to: High, middle, and low-altitude operational systems, and missile systems.

In the high-altitude operational system, communist China's major fighter planes fall into the categories of "Qiang-7" and "Qiang-8." Compared with Taiwan's IDF [indigenous defense fighter], they are inferior because Taiwan's fighter planes in this category are similar to the U.S. F16 and F5E in quality.

The high-altitude operational system is incapable of covering naval fleets at sea. For this reason, mid- and low-altitude operational systems are depended on. Mid- and low-altitude fighter planes are characterized by a great climbing speed, a small radius for turning (the smaller the plane's size, the greater its maneuverability), and a greater operational radius (hence, greater operational capacity). In this aspect, Taiwan's fighter planes are better. However, communist China is quantitatively far superior to Taiwan.

Maritime Combating Effectiveness

Regarding command of the sea, communist China possesses 14 destroyers carrying missiles, in addition to 110 submarines (of which three are nuclear). The three naval fleets are comprised of some 1,000 surface combatants. Taiwan would find it difficult to deal with all the combatants in their simultaneous action, but Taiwan possesses rather advanced counter-submarine technology and its counter-submarine helicopters are of good quality, thus offsetting communist China's threat to some degree.

The Airborne Force's Role Should Not Be Neglected

In landing capability, communist China has built up its airborne force in recent years, an establishment of a "reinforced army," comprising of eight divisions with some 80,000 men. Communist China has attached great importance to the airborne force's founding. Its first commander-in-chief was none other than the current Defense Minister Qin Jiwei. The goal of its establishment is aimed precisely at Taiwan, with its tasks to occupy beaches, taking major cities or diverting enemy forces. So long as the airborne force lasts for two hours in action, communist China's marines and its ground forces will have ample time to land on Taiwan. According to communist China requirements on the Navy's combat effectiveness, it will cross the Strait within one hour and 40 minutes.

World Attention Is Not Focused on the Taiwan Strait

The current world situation is indeed favorable for communist China to resort to force to settle the Taiwan issue. Owing to its involvement in the Gulf crisis, the United States has no time to take care of the Taiwan Strait. The United States needs communist China's support internationally; it probably would not take any action should communist China attack Taiwan. Moreover, the United States acknowledges that Taiwan is a part of China, and theoretically it is quite beyond the United States to intervene. As far as the USSR is concerned, it is beset with difficulties on the home front, and the conservatives and military are in power; the possibility for their forming an alliance with communist China's conservatives is great. Such a possibility is favorable to communist China attacking Taiwan, for this will help relieve it of its northern threat, while a considerable portion of its military forces could be transferred to the south, especially its air force and second artillery troops, and its three naval fleets will sail into the Taiwan Strait. The Soviet conservatives are bent on opposing the federal republics' independence, and will not spare any effort to impede their independence by force. On such grounds, we believe that politically, the USSR will support communist China settlement of the Taiwan issue by force.

Communist China Dares Not Attack Taiwan Hastily

It is estimated that communist China dares not settle the Taiwan issue hastily, by force, despite the world situation being favorable to its doing so. This is because:

1. Stability has not been entirely achieved on the mainland. Communist China still awaits a complete solution to the situation of mass opposition and desertion of its followers, and its top-echelon was split in the wake of the "4 June" Incident. Jiang Zemin's central role has not completely taken shape (in other words, a solution to the succession of the supreme leadership is not yet completed.) Under such circumstances, a hasty attack on Taiwan would only cause trouble.

2. A solution to the economic crisis is not on the horizon. War is inseparable from a powerful economic strength. Communist China's current economic difficulty will not turn for the better in the foreseeable future. With a 4-percent unemployment rate and a 10-percent inflation, and people's strong resentment of the authorities, to launch a war under such conditions would only spark off a mass revolt. And,

3. There is no certainty of a military victory. Factors to account for military victory are multiple, and the troops' size, equipment, and morale are all conducive to it. Presently, communist China troops' morale is at a very low point, chiefly because the "4 June suppression" ruined the reputation of the People's Liberation Army. A survey by a military regional department showed that between 60 and 70 percent of middle-aged officers held different views on the "4 June" Incident. Such a condition is by no means favorable to communist China in resorting to force against Taiwan. As for equipment, the above analysis of the strength of the ground, air, and naval forces also explains that communist China has no certainty of a sure military victory.

Kinmen, Matsu Autonomy Depends on Security

OW2701201191 Taipei International Service
in English 0200 GMT 27 Jan 91

[Text] Vice President Li Yuan-tsu has maintained that Kinmen and Matsu should be given autonomy only after their security can be ensured. Li, the chairman of the Constitutional Reform Committee of the ruling KMT [Kuomintang], rejected the committee's proposal to lift the martial law on the two outlying islands, which are located close to the mainland, after the period of mobilization against the communist rebellion is over. The proposal had intended to give the two islands the same status as other areas of the ROC [Republic of China] which have relative autonomy. Li pointed out that as the martial law is lifted from the islands, the new law should be drafted that empowers the military stationed there to declare martial law in case of emergency.

Cabinet Passes Amended National Security Law

OW2701081791 Taipei International Service
in English 0200 GMT 25 Jan 91

[From the "News" program]

[Text] The cabinet, in its weekly meeting on Thursday, passed an amended national security law, which will go into effect once the temporary provisions of the Constitution are abolished.

Under the amendment, a national coast guard will be created, and regulations concerning the powers of investigation are also clearly mapped out.

The law also states that, at necessary times, the military will be allowed to conduct examinations on ships and crew.

The cabinet also passed an array of other amendments to laws during its meeting that have been specifically made to deal with the coming end to the emergency period of the communist rebellion.

Li Hopes To Complete Constitutional Reform by 1992

*OW2601041191 Taipei CNA in English 0312 GMT
26 Jan 91*

[Text] Taipei, Jan. 26 (CNA)—President Li Teng-hui still hopes to complete "the total constitutional reform process" in two stages by May 1992, a presidential press officer said Friday.

Chiao Jen-ho told a press conference that President Li had made his position clear last Dec. 25 and that "I do not believe the president has changed his mind."

Ranking Kuomintang [KMT] leaders hope to amend the Constitution in two stages—first by the current National Assembly dominated by senior members, and then a new National Assembly, to be elected late this year.

The National Assembly is scheduled to hold an extraordinary session in April to prepare a "legal basis" for the election of the next assembly in December.

During the April session, the assembly members will also discuss various proposed constitutional amendments before they retire in response to a decision of the Council of Grand Justices.

The constitutional reform will include the termination of the period of communist rebellion, reelection and rejuvenation of the three chambers of parliament, and improvement in the structure of local governments.

Chiao said the ruling KMT is seeking a consensus inside the party on the problems. Once it has reached a consensus, he noted, the KMT will then seek to develop a consensus with other political parties and the whole people.

The institution of constitutional reforms was one of the major conclusions at last summer's National Affairs Conference, which has been called by the president in response to wide popular demand.

'Peaceful' Nuclear Stance Reiterated

*OW2701115891 Taipei CHINA POST in English
22 Jan 91 p 11*

[Text] President Li Teng-hui yesterday reiterated that the Republic of China [ROC] will never change its stance on developing nuclear weapons, adding that the nation's nuclear technology would have only peaceful applications.

Li made the remarks in a written message to the 300 attendants of the Fourth National Science and Technology Conference that opened yesterday for a five-day run at the Taipei International Convention Center.

The development of nuclear weapons constitutes a threat to international peace and human life, but all countries in the world should apply nuclear technology to other, peaceful projects, Li said.

He stressed that the development of science and technology by any country should take international responsibility, environmental protection, and the promotion of peace into consideration.

In his opening speech, Premier Hao Po-tsun said the government has included technical and scientific development in its Six-Year National Development Plan slated for 1991-1996, which aims to make the ROC one of the world's most advanced countries before the turn of the century.

He issued four guidelines for Taiwan's future science and technology development. Firstly, science and technology should be developed in line with the nation's overall development. Secondly, efforts should be stepped up to attract and nurture high-caliber scientific and technological talents. Thirdly, local private enterprises should be encouraged to engage in research and development projects to accelerate the transition of labor-intensive production to technology- and capital-intensive production. Lastly, scientific development should not threaten humanity.

After the opening session, participants proceeded with group discussions to seek ways to upgrade the nation's scientific and technological developments in the coming six years.

Local Content in Military Purchases Urged

*OW2701115491 Taipei CHINA POST in English
22 Jan 91 p 6*

[Text] In future military purchases, the Republic of China [ROC] will request that foreign suppliers expand their component purchases from Taiwan, and that they transfer related technology to ROC firms, the Chinese-language ECONOMIC DAILY NEWS reported.

The Ministry of Defense and the Ministry of Economic Affairs made the joint decision in hopes of enabling domestic companies to get a share of the NT\$60-80 billion that the nation spends on military purchases annually.

Lin Ke-chang, vice minister of national defense, and John C.I. Ni, director general of the Industrial Development and Investment Center, met Friday with some 20 military equipment and high-tech manufacturers from the Hsinchu Science-based Industrial Park, the paper reported.

The manufacturers proposed that the Ministry of Defense select Taiwan-made military components if domestic prices are up to 10 percent greater than those of foreign-made products.

In response, the Ministry of Defense and the Ministry of Economic Affairs said they would give particular attention to Taiwan's electronic, information and communications industries as they seek to increase Taiwan's role in the defense industry.

Spokesman on 6-Year Development Goals

*OW2601025891 Taipei CNA in English 1539 GMT
25 Jan 91*

[Text] Taipei, Jan. 25 (CNA)—The Council for Economic Planning and Development (CEPD) of the Republic of China Friday revealed the major goals to be attained under the 1991-96 national development plan.

A CEPD spokesman said that under the plan, Taiwan's installed power generating capacity will increase from the present 19.37 million kilowatts to 27.53 million kilowatts.

Chiang Kai-shek International Airport in northern Taiwan will be expanded to serve 20 million passengers and handle 1.41 million metric tons of cargo annually. At present, the airport is only able to serve 8 million passengers and handle 410,000 tons of cargo in a year.

Various development projects will use 28,000 hectares of land during the six-year period, he said.

It will take only 90 minutes to travel from Taipei to Kaohsiung after a 360-kilometer high speed railway between the two cities is completed in 1998, he added.

Health insurance for all people will be available by the end of 1994.

Some 900,000 housing units will be built during the six years, one third of which will be built with government aid.

New universities and high schools will be established in the northern, central, southern, and eastern parts of Taiwan. New libraries, public parks, swimming pools, and other sport facilities will be built in each county.

Eighteen metropolitan areas equipped with convenient transportation networks and public recreational facilities will be developed in various parts of Taiwan.

Great efforts will also be made to improve sewerage and river drainage systems and to clean up the environments under the six-year plan, he added.

Cable TV, Satellite Dishes To Be Decontrolled

*OW2701081391 Taipei International Service
in English 0200 GMT 26 Jan 91*

[From the "News" program]

[Text] Shao Yu-ming, director general of the Government Information Office [GIO], has said that the government plans to inaugurate a public television station within three years, a national broadcasting corporation within one year, and allow the establishment of cable television network and installation of satellite dishes by the end of this year.

Shao told reporters at a press conference that the GIO also plans to open a Chinese cultural center in New York in August, and to open cultural centers later in another 10 cities, including Paris and Hong Kong.

Shao said the GIO will also work harder in the years ahead in seeking consensus of the nation's development. As part of the efforts, Shao said, the GIO will publish in July a (?manual) on political, economic, cultural, and social development to help citizens better understand national affairs.

Hong Kong

Tighter Restrictions Imposed on Transiting Iraqis

HK2801025391 Hong Kong HONGKONG STANDARD
in English 28 Jan 91 p 1

[Excerpts] Hong Kong has tightened up security measures to prevent Iraqis from entering the territory.

The decision came as the British government was reported to have taken its first prisoners of war in the UK since World War II.

Last night Deputy Secretary for Security, Ian Strachan, said that effective today Iraqis arriving without visas would be prevented from transiting Hong Kong.

He also said there was no intention of imprisoning the three male Iraqi nationals living in Chung King Mansions. Reports from Britain yesterday said a group of Iraqis had been imprisoned as prisoners of war at a military base in southwestern England. [passage omitted]

In Hong Kong, the Deputy Director of Immigration, John Yeung, said his department had informed all airlines of the ban on Iraqis transiting the territory without visas.

As a general practice transit passengers do not need a visa as long as they remain inside the airport's restricted area.

Mr Yeung said that from now on Iraqis would have to apply for visas at British embassies.

However, he said Hong Kong had not been used frequently by travellers from the Middle East as a transit top.

A Cathay Pacific Airways spokesman said the airline would comply with the security measure. He said Cathay resumed services to the Gulf yesterday, but only to Dubai.

'Outrage' Over Beijing's Sentencing of Dissidents

HK2701050491 Hong Kong SUNDAY STANDARD
in English 27 Jan 91 p 1

[By Joe Wong]

[Text] Hong Kong Alliance chairman Szeto Wah yesterday expressed outrage at the four year jail term imposed on student dissident Wang Dan as well as the continued trials of those who took part in the 1989 democracy movement.

He accused the Chinese government and not the students of breaking the law.

Szeto said the democracy activists were acting within their rights—the right of citizens to exercise their anger at their government—and that was no reason to send them to jail.

"I think those violating the law are the Chinese Government. The trials were proceeding secretly and the defendants were not allowed to choose their own solicitors," he said.

The alliance yesterday began a signature campaign to draw support from Hong Kong people for students on trial or in jail.

The campaign will continue over the next two weekends.

Once signatures are collected the alliance will present the petition to the NEW CHINA NEWS AGENCY.

The alliance will also stage a mass rally today at Chater Garden to protest against the verdict on Wang.

A spokesman for the alliance urged international organizations and all countries to voice their concern about human rights in China.

A government spokesman said last night it had no comment on Wang's imprisonment.

NCNA vice-director Zhang Junsheng said Wang's sentence was in accordance with judicial procedures in China.

He said the verdicts of all those on trial for their part in the democracy demonstrations were made individually.

The trial dates were not planned to coincide with the outbreak of the Gulf War so as to deflect interest away from the trial, he said.

Protesters March to XINHUA Office

HK2801020791 Hong Kong HONGKONG STANDARD
in English 28 Jan 91 p 9

[By Amy Choi]

[Text] The jailing of student leader Wang Dan sparked another mass demonstration yesterday.

Demonstrators gathered at Chater Garden in Central before marching 3.2 kilometres to the Xinhua News Agency at Happy Valley.

The demonstrators, some garbed in white sheets and wearing yellow headbands as a sign of mourning, shouted demands for the release of dissidents jailed in China.

"Wang Dan is not guilty. Patriotism is not a guilt. Slaughtering the people is sinful," chanted the crowd.

The rally culminated in the burning of a mock Chinese constitution outside Xinhua, Beijing's de facto embassy here.

Spokesman of the Hong Kong Alliance in Support of Patriotic and Democratic Movement, Cheung Man-kwong, claimed 2,000 people joined the demonstration, but police said there were only 1,200.

Beijing has accused the alliance of trying to use Hong Kong as a base for subversion.

Alliance chairman Szeto Wah, while delivering his speech, made it clear their message was directed towards agency leaders.

Xinhua Deputy Director Zhang Junsheng accused outsiders of not respecting China's internal legal procedures.

But Mr Szeto said the Chinese government was to blame for betraying the constitution and the law.

He said laws in China allowed trials to be heard.

"Chinese constitution guarantees freedom of speech and freedom of demonstrations. Now who's the one who has betrayed the constitution?" he said.

He also said the Alliance would stage similar protests until all jailed student dissidents were released.

On Friday, about 2,000 people staged a similar march to the Xinhua office.

Wang was sentenced by a Beijing court to four years in Prison. He was one of five democracy activists jailed on Saturday for their roles in the democracy movement crushed by Chinese troops on June 4, 1989.

—In Macao, about 100 students staged a two-hour candle-light vigil from 8 pm in the Largo de Senado to protest against the jailing of the dissidents.

More Consultations on Airport Scheme Planned

HK2901014591 Hong Kong SOUTH CHINA
MORNING POST in English 29 Jan 91 p 1

[By Fanny Wong]

[Text] China's top official in charge of Hong Kong affairs, Mr Lu Ping, is expected to visit Hong Kong later this year to follow up talks with the Governor, Sir David Wilson, over the territory's controversial port and airport scheme.

The visit will be the first by Mr Lu since his promotion to Director of the Chinese State Council's Hong Kong and Macao Affairs Office last November.

Although a date for the trip has yet to be fixed, it is expected to take place after the third round of the Sino-British expert talks on the airport which is scheduled to be held in Beijing later next month.

Mr Lu's trip is expected to be crucial for the two sides to thrash out any key differences over the scheme, as a planned visit to China in April by the British Foreign Secretary, Mr Douglas Hurd, may have to be postponed.

Mr Hurd's trip has been seen as the best opportunity for Britain to solicit Beijing's support for the scheme before it proceeds at full speed.

But Mr Hurd may be tied up in Europe because of the Gulf War.

A final decision will only be taken closer to the time.

Speaking to a visiting delegation of Hong Kong's Pok Oil Hospital in the Chinese capital yesterday, Mr Lu reiterated that Beijing wanted Hong Kong to build an airport which would cost less but generate the greatest economic benefits.

Mr Lu also raised doubts about the optimistic estimates of revenue generated by selling the Kai Tai airport sites, according to a China News Service dispatch.

In his policy address, the Governor said that the new airport was estimated to create \$40 billion from sales of land at Kai Tai and Chek Lap Kok.

But Mr Lu argued that sites at Kai Tai lay largely on reclaimed land which could only allow for limited uses.

"Therefore, the estimate of revenue generated by selling those sites should not be too high," Mr Lu said.

Editorial on Sino-British Cooperation, Airport

HK2501134691 Hong Kong TA KUNG PAO in Chinese
25 Jan 91 p 2

[Editorial: "Problems Can Be Resolved Through Frank and Honest Consultation"]

[Text] Hong Kong Governor David Wilson arrived in Hong Kong yesterday after holding beneficial talks during his trip to Beijing. During the trip, which only lasted a few days, Wilson and Chinese Government officials responsible for relevant Hong Kong affairs discussed a variety of things, covering such matters as strengthening economic ties, cooperating in cracking down on smuggling, and handling the Vietnamese refugees in Hong Kong. They also held serious discussions on the new airport scheme, over which there had been numerous disputes earlier on. It is, of course, impossible for all questions to be resolved on just one visit and talk. The new airport scheme, for instance, still awaits discussion at the third round of expert team talks. Nevertheless, through his attitude of willingness to hold sincere consultations, the Hong Kong governor has restored the mutual trust needed in communication and has improved both sides' understanding, which is favorable to the resolution of relevant questions. This is again good proof that only when China and Britain continue to discuss and cooperate with each other on the basis of the Joint Declaration can they definitely have satisfactory results on such questions as the new airport scheme.

Over the past year, the relationship between the Chinese and British Governments has improved obviously. This is, in fact, a trend of the times and is determined by their roles in the world. The cooperation between China and Britain on the issue of Hong Kong also has been restored and developed gradually. After putting various perplexities behind them, they should have come to know that

their fundamental interests lie in the "Joint Declaration" they signed, not outside it, and that the "Joint Declaration" can be implemented only if they strengthen cooperation, not do as they please. What they need to work hard on together at the present time is establishing a good working relationship, which will be favorable to Hong Kong's stability and prosperity and to the smooth changeover in 1997.

As for Hong Kong's plan to construct a new airport, the Chinese Government long ago held that there certainly was such a need, and has always been positive about it. In light of Hong Kong's overall economic development and the long-term interests of Hong Kong residents, the Chinese Government hopes to be able to find the most cost-effective construction proposal. When meeting with Wilson during his trip to Beijing, Chinese Premier Li Peng clearly reiterated: "What the Chinese Government is concerned about is whether or not it is possible to find the best proposal for Hong Kong's large-scale infrastructure construction, one that entails the least investment while bringing high efficiency and that benefits the people of Hong Kong without having them carry a burden or putting a heavy financial burden on the future Hong Kong Special Administrative Region [SAR]." He added: "The Chinese side seeks no gain for itself on this matter. Our central starting point is how we will be able to better implement the Sino-British Joint Declaration and maintain Hong Kong's long-term prosperity and stability." The remark should serve to unlock the misunderstanding and misgivings, and to refute once and for all the various slanderous and untrue statements against the Chinese side on this matter. In fact, the so-called "contradiction between China and Hong Kong" does not exist, whether in the infrastructural projects or in other matters. The interests of the Hong Kong people are in line with those of the Chinese people, and Hong Kong's long-term prosperity and stability are exactly what China wishes. Hong Kong's infrastructural projects, if they are in keeping with its reality and if they are within its own capability, will strengthen its regional role and raise its international status, and also will be favorable for contributing to China's modernization.

The contradiction that emerged earlier was caused by the channels of communication between China and Britain not being smooth, or by the lack of sincerity, despite their mechanical consultations. Pride and prejudice, if we may quote the title of a famous English classic, harm the good atmosphere required for mutual exchanges and hinder mutual trust and understanding. If one side always holds that the other side is naive and ignorant, and if it stubbornly insists that the other side "do what it says," or if it is defensive in all things and puts up barriers against "interference," it will be difficult to have cooperation based on open discussion. As the Hong Kong governor said yesterday at the airport: A "one-way dialogue" would be pointless. Now that the British side has informed the Chinese side about Hong Kong's infrastructural projects, naturally it also should listen to its views at the same time.

Since the Kai Tak International Airport's passenger handling capacity soon will be exceeded, there is an objective need for Hong Kong to construct a new airport. It is completely possible to solicit and accept the views of all sides and to work out the best design on the basis of objective scientific analyses. There is no need to link the use of the new airport and the year 1997 politically; neither is there any need to increase costs by hurrying the construction. As for the construction scale of the airport, there is no need to seek exaggeration and ostentation by wantonly enlarging it. The Hong Kong governor promised that readjustments will be made to the scale and rate of progress of the projects according to the actual situation. People hope that this realistic principle really can be implemented.

According to the Sino-British Joint Declaration, the British side is responsible for Hong Kong's administrative management before 1997. The Chinese side supports this. Matters regarding the smooth transition in 1997 must be handled through Sino-British consultation in such a way that they can be followed up easily. In numerous matters—such as the formulation of the Basic Law of the Hong Kong SAR, arrangements for Hong Kong's participation in international organizations in the future, and management of Hong Kong's land development fund—the Chinese side is the host for or participates in them. Moreover, the Chinese side's participation is indispensable. Through mutual understanding and accommodation, China and Britain succeeded, with satisfactory results, in resolving such questions as the strenuous diplomatic talks and the "one country, two systems" model, which has no precedent. In the future, if they strengthen consultation, there should not be anything on which no understanding can be reached.

XINHUA Sets Up Hong Kong Research Office
HK2901101391 Hong Kong SOUTH CHINA
MORNING POST in English 29 Jan 91 p 5

[By Chris Yeung]

[Text] The local branch of the NEW CHINA NEWS AGENCY [XINHUA/NCNA] has set up an office to study Hong Kong's political and economic future.

The Political Planning Office is directly responsible to NCNA director Mr Zhou Nan and indicates the importance China attaches to the fast-changing events in the territory in the run-up to 1997.

One of the main tasks of the new office, headed by Mr Hu Caiji, a former official with the Research Office, is to study the controversial airport plan.

It will also look into broader economic links between Hong Kong and the mainland, in particular the neighbouring southern regions, described by Chinese officials as areas for greater cooperation in the future.

A source said yesterday: "The Political Planning Office is an internal research unit—it is all part of the restructuring of the NCNA and is aimed at improving the division of work.

"Hong Kong keeps changing and you can't use old methods to solve new problems."

The office will monitor the introduction of direct elections to the Legislative Council in September and the emergence of political parties.

But an official denied it would be used to coordinate the participation of pro-China forces in this year's three-tier elections.

He said the NCNA's three district offices in Central, Kowloon Tong and Sha Tin would be responsible for monitoring the elections and "as in the past, will do nothing more than keep an eye on the latest developments".

Chen Muhua Meets Hong Kong Women's Delegation
OW2601121891 Beijing XINHUA in English
1126 GMT 26 Jan 91

[Text] Beijing, January 26 (XINHUA)—Chen Muhua, vice-chairwoman of the Standing Committee of the National People Congress (NPC), met here this evening a women delegation from Hong Kong.

Chen, also chairwoman of the All-China Women's Federation, hosted a dinner in honor of the delegation led by Wong Lei Kuan, head of the Women Committee of the Chinese General Chamber of Commerce of Hong Kong.

Prior to their arrival in Beijing, the Hong Kong women had visited Harbin, capital of northeast China's Heilongjiang Province, and enjoyed seeing the ice-lantern festival being celebrated there.

The visitors delegates are guests of the All-China Women Federation.

Macao

Greater Antismuggling Cooperation With Guangdong
HK2501114991 Beijing ZHONGGUO XINWEN SHE
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[Report by reporter Wang Huicun (3769 1920 1317): "Guangdong, Macao To Step Up Cooperation To Stem Flow of Illegal Guns Into Macao"—ZHONGGUO XINWEN SHE headline]

[Text] Macao, 25 Jan (ZHONGGUO XINWEN SHE)—In an interview with reporters, Chen Wenli, deputy head of the Public Security Bureau of Guangdong Province who is here to take part in the Guangdong-Macao border consultative group meeting, said that Guangdong and Macao will step up their cooperation to deal firmly with the flow of guns into Macao.

Chen Wenli noted that the Guangdong police strengthened their investigation and study last year, with every locality sharing information and taking steps to deal firmly with the smuggling of guns into Hong Kong and Macao. He added that they successfully cracked down on several cases of illegal gun smuggling into Hong Kong and Macao.

Chen Wenli indicated that Guangdong and Macao should step up coordination in the future and stem the flow of guns from the mainland to Macao. Both the public security bureaus of Guangdong and Macao will strengthen the exchange of related information and jointly adopt effective measures to investigate smuggling activities.

According to reports, most of the smuggled guns flowed into the Chinese mainland from the Sino-Vietnamese border.

The Guangdong-Macao border consultative group meeting was held the other day. It focused discussions on the means of cooperation between the two sides in stopping smuggling activities last year, as well as in the mode of cooperation in the future.

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